20, 1943

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"In Your Opinion" 3
B. C.'s Postwar Plans 7
How Is Peat For Fuel? ... 28
Reconversion Problem ... 15

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The Nation's Business

Profit Only Source of Social Security

Engulfed in the torrent of news and views about social security schemes for Britain, United States and Canada, many people are forgetting two basic facts:

First, none of these plans is going to be implemented in a week or even in a year. They are so far reaching and complex that they will require years to get into operation.

Second, while most eyes are fixed on the benefits which these schemes will pay out, there is widespread blindness to the fact that the only source of that money is the pockets of Canadians.

Talk about "the employees' share, the employers' share and the government's share" obscures that fact. The government has no money of its own whatever.

And the only way Canadians, whether managers or workers, will have the money to make social security contributions is the health of the business system.

The costs of an overall social security plan like that outlined by Dr. Marsh are some 12% of a national income which would be about twice as high as normal in prewar years.

The only way a national income of that size can be maintained after the war is full employment. And the maintenance of full employment involves two basic things.

It involves the mass of Canadians being united on that goal just as we are now united to achieve the goal of victory.

Second, it involves letting the individual enterprise system operate properly. Some controls and regulations are essential. They protect business and society alike. But every impingement government makes in the field properly that of individual enterprise, weakens the ability of the business system to meet the challenge of full employment.

The most government should do is to create the climate favorable to the efficient operation of the business system.

And the profit motive is the mainspring and engine of that system. It is only those businesses which make a profit that can stay in business and continue to employ Canadians; that can grow and employ more Canadians as they will have to do to give Canada the full employment which will bring overall social security plans into the realm of possibility.

* * *

MR. HOWE'S OUTBURST MOST IMPROPER

Mr. Howe should and no doubt will regret his outburst against Lt.-Col. George Drew, Ontario Opposition Leader. Howe charged Drew had not offered his services as a trained soldier "in any capacity" on behalf of the war effort.

As the men to whom Canadians now entrust national leadership and prosecution of the war effort, Cabinet Ministers have the duty and obligation of getting co-operation; of getting the most out of the eagerness of Canadians to speed victory.

Malicious and unjustified personalities of the kind indulged in by Mr. Howe certainly do not contribute to that end.

Critics of the management of our war effort are just as eager for victory as the present government. They have a valuable and essential role in wartime just as in peacetime. The failure of Mr. Howe to recognize that fact is a serious blind spot.

Mr. Howe's attack comes with particularly bad grace when it is directed toward an individual with such a brilliant record in the last war; and who is still incapacitated physically by old wounds in one arm. We believe the press and the public will give Mr. Howe ample evidence that they have no doubt of the value of the services Col. Drew has rendered and is rendering this country.

* * *

AN EXAMPLE FOR OTHER PROVINCES

British Columbia under Premier Hart has set a fine example in its foresighted approach to the problem of postwar rehabilitation.

Over a year ago a special council, embracing all parties, was set up with special instructions "generally to investigate the possibilities of economic and industrial development, with a view to making recommendations as to market extension, industrial expansion, the increase of employment, and for any other purpose calculated to promote the re-establishment of returned men and of persons displaced by cessation of war industries."

Under the chairmanship of Hon. H. G. T. Perry, Minister of Education, this council has now completed its first interim report. This would seem to explore nearly every possible means of useful civilian employment after the war.

The report does not attempt to shelve provincial responsibility by laying all postwar problems and bills at the foot of Ottawa. Where it is the federal responsibility to provide that leadership and the finances, then that fact is indicated. But there are a great many specific recommendations passed along to the provincial authorities as well.

Great attention is paid to the development of industry geared to the special opportunities of British Columbia. The council generally frowns on those proposals which would involve expensive subsidies or sharp upward revision of tariffs. They seek, rather, long range stability, through natural and preferably decentralized industry.

This postwar report does not pretend to be a finished document. Its authors wisely point out that a final and practical blueprint must wait until the view is clearer of the postwar world to come. But it is the first and essential step in a vital work for which all Canadians should be preparing. The British Columbia report is a useful model for other provinces which recognize the challenge.

* * *

A WISE CHANGE ON WAR LOANS

Patting ourselves on the back for how well we put over Victory Loans isn't going to be so easy from now on. The War Finance Committee was very wise indeed in its decision to post two loan objectives—one for individual bond buyers, a second for institutional buyers.

For the sober truth is that in all the Victory Loans up to date, individual bond buyers have not so very much to be proud of. Many doubtless bought bonds until it hurt, but they and a great many others didn't buy until it hurt enough. In the last loan, for instance, only 40% of the $991 millions subscribed came from individual buyers. The rest came from institutional buyers.

Raising money for the war is only one function of Victory Loans. They are even more important as a defense against inflation. And the kind of money that best serves this purpose is the money that comes from the savings of individuals.

The fact, of course, is that in previous loans individual Canadian buyers have not done nearly enough. The blame is not theirs. The challenge, the size of the burden, was never put up to them clearly and unmistakably.

This fault is corrected. By keeping a separate total on the purchases of individuals, the true measure of the task will be evident to everybody. The slowness with which that total will probably go up and the grim work that may be required to put it over the top will bring home to Canadians in an inescapable way the true meaning of their war loan obligation.

As The Financial Post has said many times before, officialdom has constantly tended to underestimate the readiness of the Canadian people to carry their full share of wartime burdens and hardships. Give us the facts boldly and bluntly. The sugar-coating isn't necessary.

Naval Error Said Behind Ship Crisis

Belated U. S. Shift to Corvettes Expected to Bring Rapid Improvement in Transport

By KENNETH R. WILSON

WASHINGTON.—Failure of U. S. naval authorities to appreciate the value and importance of escort vessels is classed as one of the major blunders of the war by Washington observers.

Recently U. S. naval authorities are reported to have admitted their error in blocking the British request for vast quantities of corvettes such as Canada has been turning out in small quantity and Britain in larger quantity since 1940.

A week or two back, U. S. naval authorities launched with much fanfare the new destroyer escort boats. These are a cross between a destroyer and a corvette which American authorities insisted on designing as their idea of how to meet the sub menace. These craft have taken over two years to make; are many times more expensive than corvettes and have yet to prove that they are as effective in combat.

Now on Corvettes

Now, of course, orders have been placed for a very large supply of escort vessels of the corvette type but the lack of these vessels (in quantity) is one of the major handicaps in United Nation invasion plans for 1943.

Key officials who met a group of business paper editors here recently for "off-the-record" conferences stressed the fact that no new European offensive could be started unless or until the situation had been cleaned up in Tunisia. They made no bones about the fact that the failure to achieve a quicker success in that area had very greatly hampered plans for a 1943 second front.

Equal, if not greater in order of importance, they placed the lack of shipping facilities. There was confirmation at every turn of the week-end statement made by a leading U. S. newspaper correspondent in London that "merchant tonnage is a limiting factor in every Allied scheme and many strategists feel that no full scale offensive against the enemy can be undertaken on the continent until the U-boats are beaten."

The critical importance of tonnage and protection for merchant convoys in this war is indicated by the following rough comparisons:

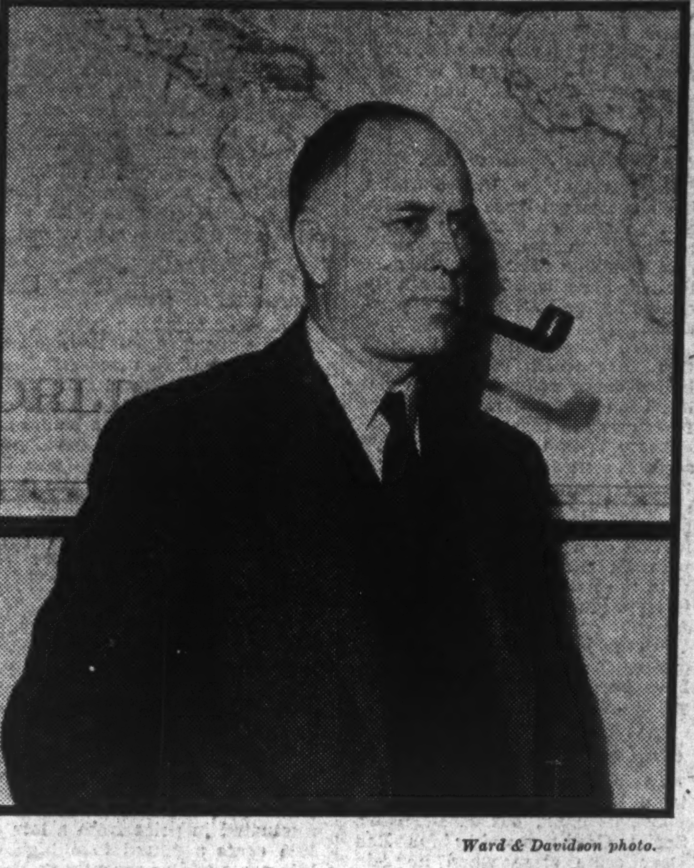
In the last war the estimated daily needs of 4½ million men was equivalent to 146,000 tons of which only 61,000 tons had to originate overseas in the U. S. A.

In this war, the corresponding need for overseas tonnage is placed at 116,000 tons daily—or 90% more than in the last year of the last war.

The deadweight tonnage required, over and above losses, lend-lease and relief cargoes and bottoms is placed at 13.6 million tons.

Added up, the balance in favor of attempting the sort of second front which most people on this continent envisage for 1943 is slim and highly questionable. Only time will tell and it may not be until much later this year that any major offensive (except on the north Mediterranean coast), is possible of fulfilment.

Canada's Stationmaster



Ward & Davidson photo.

Despite a steady increase in freights, despite the fact that many parts of the country had more snow and lower temperatures than they had had in years, the railways have come through another winter with a fine record of service. Through the worst months, food, weapons and equipment poured smoothly toward our ports. Part of the credit must go to T. C. Lockwood, Canada's quiet, efficient transport controller. Mr. Lockwood is general freight traffic manager of Cunard-White Star, has been on loan to Ottawa for the last three years. He got his early experience with the old Grand Trunk Railway, switched from trains to ships, knows the problems of both land and water transport. He was able to prevent the tangles which crippled rail and dock facilities last war. His big job: To get the best out of every bit of rolling stock the railways have.

Cut in Lend-lease Food to U. K. Puts New Burden on Canada

Ottawa Conference to Tackle Problems Created by New U. S. Food Priorities — Overseas Troops and U. S. Civilians Now Rank Ahead of Britain

By KENNETH R. WILSON

OTTAWA.—Behind the important conferences of Canada-U. S. food experts meeting here for the first time this week lies the fact that U. S. officials have given notice to Great Britain that she cannot expect to receive anything like the supplies of certain critical foodstuffs that had been indicated in earlier commitments.

For Canada, this means a considerable tightening of the belt.

This country is the obvious and in some cases the only source from which these deficiencies can be filled. Especially in meats and in cheese, Canadian home consumption will, in all probability, have to be considerably reduced. Chances at present look slim of a further increase in production above present goals.

Lend-Lease Second

Until recently, it had been thought that oversea or lend-lease food commitments ranked next to the supply of the U. S. armed forces in terms of priority. It has now been indicated that civilian and other overseas demands will rank ahead of British needs, which makes the outlook for substantial British shipments pretty bleak.

At present, the United States is faced with the threat of a critical shortage of farm production in many regions and types of foodstuffs. Contributing causes to this are the lack of manpower; shortage of farm equipment; failure of price incentives to be offered in time under the price ceiling policy to encourage farmers to put needed or extra land into production.

Farm Production Drops

It is estimated that the demand of armed services and the lure of war factory employment has reduced the normal peacetime population of U. S. farms from 11.5 millions to 8.8 millions. Production of farm machinery, as in Canada, has been cut to a small percentage of 1940 output; fertilizers have been diverted to war industry. On the other hand, there has been a huge increase in civilian consumption and demand quite apart from the additional needs of U. S. armed forces and promised aid to other countries. tries.

Commenting on the criticism that is being levelled on the food administration in the United States at the present time, the New York Times said at the week end:

"Whether couched in vituperative terms, in polite phrases which none-the-less carried an undertone of panic over the food outlook, or dressed in the familiar verbiage of farm-conscious Senators and Representatives, the criticism all followed a single theme: this country is confronted by a crisis in farm production, food processing and distribution undreamed of when the farm production quotas were set with such confidence last fall."

Other Headaches

The alarmingly acute reports of farm shortages in the United States have other implications for Canada besides an extra overseas load and a tightening of the consumer belt. Demand in the U. S. for Canada's present surplus stocks of feed and other grains is expected to reach very large proportions during 1943—a problem which brings its own worries as Canadian authorities wrestle with the problem of how to permit exports without cracking our price ceiling.

There is at present a considerable spread between feed grain prices in Canada and the U. S. with every indication that the spread will grow sharply wider. The Bankhead Bill now before Congress (and which is very likely to pass) would exclude bonus or subsidy payments from grain prices in figuring parity prices—a plan which, it is said, would automatically raise wheat prices by about 20 cents a bushel and corn prices by about 10 cents.

Canadian authorities are now wrestling with how to solve this problem and find a way of passing back to Canadian farmers the widening differential between U. S. prices and the prices of similar grains under the Canadian price ceiling.

Reconversion Gets Go Signal In Washington

Nelson and Other U. S. Officials Sponsor Gradual Changeover

By STAFF WRITER

OTTAWA. — Untold manhours now wasted, could be saved if Canada were to make a frontal attack on the problem of progressive conversion of war plants as discussed in The Financial Post last week.

This is the view of a number of key officials whose work brings them into close contact with war and civilian production programmes.

No Broad Policy

"The government is not facing up to this problem," said one official. "In special cases, production officials make honest and careful efforts to find work for plants thrown out of war industry employment. But no broad conversion policy has been worked out, nor has much if anything been done to 'fill the gap' between one war order and another.

"In scores of Canadian plants there is a planned and progressive 'slowdown' in order to keep men and organization together. Huge plants built to produce 50 or 100% more units than can now be delivered are running at a fraction of ultimate capacity.

"In my view it would be much

(Continued on page 2, col. 1)

Elson From Washington

The Battle of Shipshaw

Criticism Springs from Advocates of Public Ownership

By ROBERT T. ELSON

WASHINGTON.—Two things are behind sensational attacks delivered in the United States this week on the new Shipshaw power project as an American "gift to the Aluminum Trust."

First is the continuing fight in this country between advocates of public ownership of power and private interests.

Second is political antagonism toward Jesse Jones, Secretary of Commerce, because of his alleged friendship and generous treatment of big business.

The attacks were important, and should be so regarded in Canada, not because they will have any effect on the present Aluminum contract but because they may perhaps prejudice future financing of Canadian development by the Metals Reserve Corporation.

Canada has been accorded generous treatment by the latter because she has been a prime source of critically needed raw materials and because of the administration's desire to help Canada find dollar exchange under the Hyde Park Agreement.

Howe's Explanation Not Entire Answer

The onslaught on Shipshaw broke over the weekend. Columnist Walter Winchell picked it up from the newspaper P.M. and plugged in on his Sunday broadcast. Next day it was the lead piece in the widely circulated column "Merry-Go-Round."

Hon. C. D. Howe's explanation of the Shipshaw deal in Parliament will not entirely answer the attacks made here. The prime point is not whether public funds were used to finance a private power project—although that was one of the charges made—but that a private power development in Canada went ahead for the Aluminum Co. of Canada while publicly owned power plants in the western states could not get priorities. That is the argument of critics here and the main points that will be pressed.

Aluminum Co. could not have built its plant without the assurance in the Canadian-American agreement that delivery would be taken of the aluminum to be produced as a result of the new power.

Actually there was no secrecy about the deal between Canada and the United States. It was spread on the records of the Truman Committee a year ago in its investigation of the whole aluminum situation and particularly the international relations of Aluminium, Ltd.

The fact that British and Canadian contracts called for two cents more per pound than American contracts with Aluminum Co. of America was brought out at that time—and published here and in Canada.

Threat of Inflation Grows More Serious

The threat of wartime inflation is once more front page news. It is the most serious yet to confront the Roosevelt administration. A three-way showdown between the President, labor and the farm bloc now appears certain.

You can sum up the situation, which is being closely watched by Canadian official observers, in fairly simple terms.

President Roosevelt is determined to hold the line but he may not be able to do so if Congress goes its own way under the political whiplash of the Farm Bloc.

This bloc is fighting for two bills—the Bankhead and the Pace Acts. Each would have a definitely infla-

(Continued on page 2, col. 3)

Social Measures Before Commons Likely Delayed

By STAFF WRITER

OTTAWA.—Out of the swirling flood of social security proposals which engulfed Parliament last week one fact stands clear: that little or no concrete legislation is expected from the present session.

The original hope is understood to have been to get health insurance on the statute books during the session. But that prospect bogged down when the measure was found to be at sharp variance with "brain trust" thinking in respect of Canada's B.N.A. Act. The Mackenzie health insurance draft envisages nine separate provincial bills held together by federal grants-in-aid; the Marsh proposals come out bluntly for a constitutional amendment to the B.N.A. Act in order to give the Dominion more authority to co-ordinate health and other social security measures.

Government Tells Stand On Wheat Pool Taxation

By STAFF WRITER

OTTAWA.—Faced with the politically explosive question of the income tax liability of Canadian wheat pools, the government this week refused to commit itself on the extent to which the new assessments could be retroactive, but made it clear that the pools would be assessed. They will be free to appeal the liability if they desire.

It was also made clear that no change was contemplated in regard to exemption on bona fide co-operatives.

Replying to a query, the Minister of National Revenue stated:

"It is not the intention of the government to have any change made in the provisions of the Income War Tax Act or the Excess Profits Tax Act which exempt the income of co-operative companies and associations from taxation thereunder; but, in view of opinions given by the Department of Justice, after an investigation of the facts, that certain corporations referred to in the question as the wheat pool organizations of western Canada, do not qualify for tax exemption under such provisions, it is felt desirable that the question of facts of the law pertinent to the liability of such corporations for tax be brought before the courts for investigation and final determination.

Assessment Advised

"The Department of Justice has advised that the most practical method of getting these matters before the courts in a manner that will provide opportunity for a full investigation of all pertinent questions will be to assess such corporations, so that they may appeal from such assessments in the usual way if they continue to dispute liability.

"It is the intention of the government to make such assessments and, if appeals are made by the taxpayers, the government will be prepared to discuss with the representatives of these corporations such arrangements as may be necessary to provide that the costs of such appeals to the corporations will not be greater than would be occasioned to them by a reference to the courts by the government itself."

At the moment there is no evidence to suggest that the government is in any way weakening in its determination to carry through its decision to consider the pools taxable in their present form.

All Canadians Would Feel Marsh Plan

If implemented, the Marsh report on social security will have highly important implications for Canadians of every economic stratum, for every age group, for every kind of business. It involves international relations, domestic policies, the whole fabric of the Dominion's economic life right to the corner grocer, his customers and their families.

The Financial Post has interviewed a widely varied group of informed Canadians. Here is what they think the Marsh plan might mean.

INTERNATIONAL RELATIONS—With her economy heavily dependent on external trade, Canada is deeply influenced by outside conditions. Marsh-envisaged programme of public investment and development would not be only to stabilize domestic economy, but also to help restore productive power elsewhere. Says Marsh: "Because of this, as well as the strategy of anti-depression policy itself, the Canadian investment programme must be implemented in co-operation with the United States and the other members of the United Nations."

DOMESTIC POLICY—Important broadening of governmental function. Total Dominion budget would be some $2.2 billions, compared with prewar average around $500 millions. Made up of $500 millions for social services, $1 billion works development programme, ordinary expenditures up 25% to $712 millions. Such a budget is predicated on national income materially higher than prewar.

INDUSTRY—Wisely handled expenditure of social security funds might level out peaks and valleys of business activity, make for more assured business planning. Social security payments would keep a floor under national income, thus tending to prevent progressive paralysis of depression in thirties.

TAXPAYER—Would have to carry load quadruple immediate prewar average to support $2.2 billions Dominion budget. This Marsh estimates to be reduction of 50% on present taxes.

COST OF LIVING—Increase caused by higher taxes probably in part offset by lower production costs possible through wider markets, higher output.

INSURANCE—Life insurance untouched as nest egg provider for dependents; possibility sales might improve through increased ability to pay, heavier psychological stress on insurance. Group, accident and sickness policies might be affected adversely.

DOCTORS—Increased activity in treatment of minor ailments now neglected. First few years probably mean heavy volume of cases such as tonsils, hernia, etc., now ignored due to expense. Elimination of many uncollectible accounts mean steadier income. More attention to preventive medicine would mean less sickness, better national health.

HOSPITALS—Easing of economic barrier for larger families, increased attention to medical care would require greater use of hospital facilities.

PATENT MEDICINES—Might be hit. British experience when health insurance instituted was drop in patent medicine sales, later recovery.

UNDERTAKERS—$100 guarantee would eliminate loss caused by burials of destitutes. Example: in Toronto for such cases city allows only $15, rest has to be made up by friends or undertaker.

YOUNG WORKER—With expanded economy, full employment would mean more jobs, better opportunity.

OLD WORKER—Better chance to switch jobs as new firm won't hesitate to same degree as now to load up individual pension plans with older men.

Chart by The Financial Post

Price of seats on the Toronto Stock Exchange rises when volume of business is high, drops when trading shrinks. Top price was $200,000 in 1929. Three years later this had slumped to $20,000. Top price on the old Standard Stock and Mining Exchange, amalgamated with T. S. E. in 1934, was $100,000 for a seat in 1928, but a seat could be bought for $10,000 in 1932. Recently a seat on T. S. E. changed hands for $20,000. There are inquiries for another at $22,000 now, but nothing for sale under $25,000 or $30,000. Apart from the initial cost, annual membership fees and other dues amount to $604 a year.

MEN'S SHOP

FINE APPAREL FOR MEN

Wearing Through the War!

A prime concern of judicious-minded men these days is to buy really good clothes — clothes which should last longer, and at the same time keep their quality air. Suits tailored by the Men's Shop experts fall into this category. Tailored from choice materials by men who take an earnest pride in their work, a Men's Shop suit should go with you all the way — and never lose its well-cut appearance. Priced from

$40.00 to $65.00

The Men's Shop

at EATON'S - COLLEGE STREET

Social Security Seen Increasing Insurance Sales

At the March meeting of the Life Underwriters Association of Toronto, E. H. Hanley, superintendent of agencies of the North American Life Assurance Co., said social security measures in recent years had been helpful to the sale of life insurance.

Benefits provided, he indicated, tended to make people conscious of the advantages of financial security and stimulated the demand for insurance and other forms of security.

Montreal Cottons Plans For Peace

From Our Own Correspondent

MONTREAL.—Study of postwar problems and planning for the swing back to peacetime operations are being undertaken by the management of Montreal Cottons Ltd., it was reported by W. G. E. Aird, managing director, at the annual meeting.

"Problems arising out of the present struggle are having our attention both as they affect us in the present and from the point of view of their possible repercussions in the postwar period. We are even now exploring avenues in order to minimize the effect of the change from a war to a peacetime economy," said Mr. Aird.

Manpower shortage was one of the grave problems of the company and threatened the high rate of war production at the Valleyfield mill, Mr. Aird reported. He said, too, that one of the major difficulties was absenteeism, which has at times threatened to throw out of gear our whole productive machinery.

"Selective Service regulations have done little to remedy the situation either in discouraging the migration of labor or in preventing loss of production through absenteeism," he claimed, adding that the situation might continue to deteriorate "until positive and definite powers are given to some competent authority to enforce such regulations."

War and Business . . . .

Too Much Secrecy

Ottawa's policy of keeping the prospective plant lay-offs under wraps is causing considerable anxiety in officialdom as well as among the heads of industry.

Chief worries are (a) that we're counting our chickens before they're hatched, will have to re-open the plants in a hurry on short notice as soon as invasion of Europe begins; (b) that even if the policy is sound in principle, it needs a bang-up educational campaign to explain why it is sound. The fear is that the shipyard worker may be less impressed with the urgency of his job, if another war plant next door is working half time.

No Axe for Synthetics

Reports that the United States has a reciprocal trade treaty with South American countries calling for the destruction of all synthetic rubber plants after conclusion of the war have been authoritatively denied by the U. S. Senate department.

There is apparently no truth in this story which cropped up in half a dozen different places and has been repeated in newspapers from coast to coast.

There is in the future possible seeds of controversy over the question of whether synthetic rubber should enjoy a tariff-protected monopoly of the great American market or whether it will have to take its chances in competition with the natural product whether it is produced in Malaya, South America or Africa. Vice-president Wallace has backed continued competition and his stand may have been the basis of the "destruction" reports.

Gold Stays in Teeth

Taking the gold out of Canada's teeth has not yet been made a political plank, but F. D. Shaw, Social Credit member for Red Deer came close when he said last week, "There are medical men in the house who could confirm my opinion that it is not the best thing for one's health to put gold in his teeth."

If Mr. Shaw meant that there are reasonably satisfactory substitutes for gold fillings, he is correct, but dentists consulted by The Post state that most of the substitutes to date lack gold's resistance to corrosion and ready workability. Although gold costs considerably more than the substitute materials, it doesn't add greatly to the cost of the completed job—the highly skilled workmanship is often the major part of the cost.

. . . and Behind Currency

Washington observers expect gold to get new approval when the international monetary committee report of which Mr. Churchill spoke is released. They expect the report to recommend an international bank, an international exchange clearing house with perhaps an international currency unit based on gold.

Bargains in Buna

Prices of synthetic rubbers are being reduced April 1, it is announced by U. S. Price Administrator Prentiss Brown. Reductions range from two cents a pound on butyl type to 20 cents a pound on neoprene, the synthetic developed and produced before the war by Dupont. New price and the present ones compare as follows:

Synthetic Rubber Prices

	New	Old
	Cents per pound	
Buna-S	36	50
Butyl	33	35
Neoprene	45	65

This scale of prices hardly suggests that synthetic rubber has yet achieved a price basis which would enable it to compete freely with the natural product under normal conditions. In Canada natural rubber is pegged at a price of 25.67 cents a pound f.o.b. factory. In 1938, last complete pre-war year, natural rubber fluctuated in price from a low of 10¾ cents a pound to a high of 17¾ cents and as recently as Feb., 1940, sold as low as 18¼ cents.

Coast Steel Snag

West coast interests, endeavoring to get a steel industry established here received the cold shoulder from an unexpected quarter when Premier John Hart intimated to the Legislature's mining committee that he would not countenance provincial financial assistance to the project.

The premier's announcement resulted in resignation of J. A. Paton as chairman of the committee. Government assistance had been recommended in the event that private capital was not found in adequate amount. Mr. Hart said that he did not wish the report to be considered as a statement of government policy if that clause remained.

However, there is still some hope of getting a plant built on the coast, and British Columbia members of the House of Commons feel that the federal government may be induced to give encouragement to a rolling mill utilizing scrap metal rather than to a larger mill requiring iron ore.

When is a Bank Manager?

Any disillusionment among ambitious bank juniors with an eye on a managership caused by revelation in a Montreal court case that a "branch bank manager" received $13 a week should be dispelled.

Facts of the case are that these "branch managers" are more in the nature of agents than managers in the accepted sense. Many of them carry on insurance agencies, may be notary publics or grocers, in addition to managing the local agency of the very few banks that follow this custom.

Fewer Prosecutions

Fewer prosecutions for infringement of wartime regulations are reported by the Wartime Prices and Trade Board in the week ended March 19. Offenses against rent rulings continue to be prominent. In Vancouver, fines of $100 and $25 were levied on two landlords charged with violation of W.P.T.B. orders.

In Halifax a wholesale grocer and his wife were convicted on charges of accumulating canned goods beyond the "reasonable requirements of their household" and fined a total of $100. One month's supply is understood to be the largest amount of foodstuffs on hand at any one time regarded as "reasonable" by the Board.

A Vancouver man subsequently employed in war industry paid $40 in fines for operating a coal and wood supply company for some weeks, at no time obtaining a license for it. He was also accused of selling short measure.

Food for War

Preserved, Packed and Shipped

Thousands of Canadian men and women are doing a most necessary job of converting farm products to transportable food for millions of fighters and civilians overseas. Much credit is due those working in canning, dehydration, curing, packing, refrigerating, and shipping. With war industries and their workers the Bank of Montreal is working helpfully by supplying the kind of banking service suited to the times.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . the Outcome of 125 Years' Successful Operation

A 179

C. N. R. Summer Resorts Closed Down for 1943

In line with Canada's wartime economy policy the Canadian National Railways will not open their summer resorts during 1943, according to R. C. Vaughan, chairman and president.

Establishments affected are Jasper Park Lodge, Jasper National Park, Alta.; Minaki Lodge, Lake of the Woods District, Ont.; and Pictou Lodge, at the edge of Northumberland Strait, N.S. Collectively, the three lodges provided accommodation for 1,000 guests, Jasper Park Lodge alone having room for 650.

Federal Grain Ltd. has declared a dividend of $2 a share on its 6½% preferred stock, payable May 1 to shareholders of record April 15. After this payment arrears will amount to $69.62½ a share, compared with $68.37½ after the last previous $2 payment made in November.

Indict Two Canadians On U. S. Stock Activity

Toronto Better Business Bureau confirms a Philadelphia newspaper report that two Toronto investment dealers, H. R. Bain of H. R. Bain & Co. and J. M. Baird of Lakewood Investment Co., have been indicted by the Pennsylvania Securities Commission on the charge neither was registered with the commission as dealer or salesman.

According to the newspaper dispatch, Pennsylvania residents received telegrams requesting they phone Toronto "collect."

EXECUTIVE AVAILABLE

"BUSINESS EXECUTIVE SEEKS CONNECTION — Married man, 36 years of age, with selling and production experience, open for position. Own business being wound up due to war conditions. Apply nearest Employment and Selective Service Office. Refer HO 140.

EXECUTIVE AVAILABLE

Chartered Accountant with management and cost experience seeks executive position with larger opportunity. For details of record apply at nearest Employment and Selective Service Office. Refer "H.O. 135".

RIDLEY COLLEGE

ST. CATHARINES, ONTARIO FOUNDED 1889

Lower School—Boys 8 to 14 years Upper School—Boys 14 to 18 years

OPEN SCHOLARSHIPS AND LEONARD AWARDS

For Entrance to Upper School—Six Old Boys' Memorial Scholarships of the annual value of $500.00 each

For Entrance to Lower School—Ten Dr. J. Ormsby Miller Memorial Scholarships of the annual value of $300.00 each

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Applications for the examinations for the above Scholarships and for the Leonard Awards should be made before May 1st.

For full information write H. C. Griffith, M.A., LL.D. *Headmaster.*

Reconversion Gets Go Sign In Washington

(Continued from page 1)

more realistic to face this situation more directly and either release these men for other work or for the armed services or else relax the restrictions on manufacture of civilian goods so as to permit these plants to return to their normal peacetime work."

From Washington last week came direct evidence that WPB authorities are moving toward a "progressive conversion" programme in order to take up slack occasioned by falling off in demand for land army equipment. Major General L. H. Campbell, Chief of U.S. Ordnance, officially admitted that manufacture of ordnance is far ahead of ships to transport it.

Donald Nelson, chairman of WPB, announced that plans are under way for the resumption of production of certain types of consumer goods. It was also indicated that plans are on foot in the U.S. to reorganize the present Office of Civilian Supply and appoint a strong administrator who could co-ordinate with WPB in planning the sort of "progressive conversion" of war plants which have lost or are shortly to lose their ordnance orders so as to conserve manpower and plant facilities.

What is urged here is that a frontal attack on the problem of "progressive conversion" to parallel or anticipate what is now being done in the United States would enable men now employed or working on part time or at slow tempo in ordnance factories to be put to work producing vitally necessary parts or replacements for such important items as farm machinery, railway repair or renewal equipment.

Bathurst Power and Paper Co. Ltd.

Notice of Dividend on Class "A" Shares

The Board of Directors has today declared a quarterly dividend of Twenty-five cents (25c) per share on the outstanding Class "A" shares of this Company, payable on the 1st day of June, 1943, to shareholders of record at the close of business on the 30th day of April, 1943.

H. J. WEBB,
Vice-President and Treasurer.

March 22nd, 1943.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1943.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of May to Shareholders of record of the 1st day of April, 1943.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 15th day of April, 1943.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
March 22, 1943.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending March 31, payable May 25, to shareholders of record April 19, 1943.

By Order of the Board.

H. G. BUDDEN,
Secretary.

Montreal, March 23, 1943.

Investor's Index

Mar. 27, 1943

Abitibi	5	Kingston Elev.	8
B. C. Packers	11	Lambton Trust	4
B. C. Pulp & P.	27	Lond.-Can. Inv.	4
Blue Top Brew.	4	London & West.	4
British Canadian	4	Massey-Harris	27
Can. Perm. Tr.	4	Metropolitan L.	10
Can. Breweries	8	Montreal Cottons	2
Can. Indemnity	4	Mutual of Can.	4
Can. Oil Cos.	27	Niagara Falls L.	4
Can. Steamship	10	Noorduyn Air.	8
Cons. Paper	11, 27	Nor. Am. Insur.	4
Cooksville Co.	27	Ottawa Car & A.	25
Dosco	8	Ottawa Elec. Ry.	27
Empire Loan	4	Rolland Paper	27
Federal Grain	2	Sawyer-Massey	27
Fidelity Trust	4	Seal-O-Sac	27
Ford of Canada	21	Standard Radio	12
Gurney Foundry	27	Steel of Canada	27
Hiram Walker	9	Third C. G. Inv.	27
Holt Renfrew	27	United Amuse.	4
Inter. Brick	27	United Grain	8
Inter. Hydro	9	Wentworth Rad.	27
John Bertram	27	Western Trust	4

MINES AND OILS

Bidg'd Kirkland	4	Island Mtn.	4
Bobjo	4	Jason Mines	4
Hallnor	4	Kerr-Addison	4
Hard Rock	4	Pamour Porc.	4
Hudson Bay	9	Preston E. Dome	4
Inter. Nickel	9		

REGULAR FEATURES

Bonds	5
Bond Quotations	12
Business, Week in	7
Company Reports	4, 27
Editorial	
Farming, Business of	13
Income Tax Queries	4
Insurance	10
Insurance Reports	4
Investment Pages	7
Enquiry Letters	8
Market Opinions	5
Stock Quotations	12
Mining Pages	4, 28
Mining Quotations	12
Reports	4
Oil Page	28
Oil Quotations	12
Royalty Offerings	12
Question of Week	3
Wheat Page	13

Says Pie in the Sky Politics Becoming Popular in Canada

Newest and most fundamental fact in our current Canadian politics is promise of permanent prosperity, says Bruce Hutchison in the current issue of Maclean's Magazine. Pie in the sky has become practical politics in Canada.

Mr. Hutchison declares that for our own protection we must find out precisely what the politicians mean, and that if they don't know we must compel them to find out.

Examining the problem, says Mr. Hutchison in part:

"If we are to discover whether we can maintain the present size of the pie, or anything like it, we should consider how it reached its enormous wartime dimensions. This result was accomplished, as a layman sees it, by four distinct methods.

"First, by enormous expenditures of government money.

"Second, by the government control of our whole economic system and of our individual lives.

"Third, by a repeal of our basic constitution wherever necessary.

"Fourth, by the sudden appearance of an unlimited foreign market for our goods.

"If these factors can all be maintained indefinitely there should be no difficulty in maintaining their end result, which is a high national income. But can they be maintained?

"If the government is to maintain a very large budget the money must come out of our pockets. Are we ready to pay it?

State Control

"Altogether a country which is going to depend for the prosperity of its people on gigantic state spending must be ready to depend on the state for almost complete management. Germany is the final example of such a system.

"The politicians do not usually tell us that. They tell us about the spending of money. They do not so often tell us of the restraints, restrictions and regimentation which must go with all-out spending. The outright socialist is more honest when he promises prosperity but admits that it means actual government ownership of the productive machinery, that it means regulation of everything and everybody.

"Will the provinces be prepared to abandon some of their powers and perhaps some of their revenue sources? A few of the largest provinces have shown no desire to do so up to now. Three of them torpedoed a conference called to consider these very things only two years ago. Before we can lay any foundation for the postwar period we must clear away the present debris of constitutional confusion, conflicting jurisdiction and local politics. And we should be doing it now.

"The politicians do not tell us how they are going to maintain our foreign trade and remove the barriers to it—even assuming that the world at large tries to do the same. They do not come forward boldly and say that, if we are to sell our goods in foreign markets in their present huge quantities after the war, we must import huge quantities in return. They do not say that we shall have to import many goods that we can make here and are making here.

Public Ownership Advocates Raise Outcry About Shipshaw

(Continued from page 1)

tionary effect. The Bankhead bill would probably hoist farm prices from 5 to 10%. A conservative estimate on the Pace bill indicates that this would lift food prices from 17% to 23%.

If either bill reaches the White House, President Roosevelt, it is believed, would veto it—but the Pace bill stands a chance of being enacted over his veto.

If the farmers get such a boost, labor, which already has been demanding a revision of the "Little Steel" formula by which wage increases in the United States were limited to one 15% hoist to compensate for the cost of living. Labor already asks that inequalities on lower wage scales be ironed out irrespective of the formula. The War Labor Board has refused this by a vote of eight to four, a decision which C.I.O. and A.F. of L. leaders accept reluctantly. Any concession by Congress to the farmers would find them storming the Board's doors for equal treatment—and a lot of people believe that if these two things happen together the inflationary spiral will have started on its skyrocket course.

Another factor is the current dispute between John L. Lewis and the United Mine Workers. Lewis' demands would puncture the price ceilings. Unlike C.I.O. and A.F. of L. leaders, he does not subscribe to a wartime truce, frankly holds out the strike threat. The President put himself on record that any readjustment of coal mining wages must be within the Little Steel formula. If it isn't, you couldn't control other factions in labor.

Lewis is a tough and dangerous customer. It is no wonder many people here would rather avoid a showdown with him. But if the wage formula is to be supported, Lewis can't have it all his own way—and if labor is to be kept in line by President Roosevelt's persuasive voice, the farmers can't have their own way either.

There has been a succession of crises on price control in the United States. The price rise has been greater than in Canada but on the whole the rearguard action has been pretty effective when you contrast conditions with World War One. But if this immediate battle is lost, you can expect to see substantial advances in prices and wages all along the line accompanied perhaps by nation-wide labor disputes and controversies. These things cannot help but reflect across the border.

War Production Board Reorganized Again

Another reorganization of the much-reorganized War Production Board shifted William L. Batt, vice-chairman, into the job of U. S. member on the Joint Canadian-U. S. Production Committee and to continue as the American chairman of the U. S.-Canadian Raw Materials Co-ordinating Committee. Previously the new executive vice-chairman, Charles E. Wilson, former General Electric head, had been named to the Joint Production Committee by Chairman Donald Nelson. Wilson's expanding activities with successive reorganizations have given him more and more authority and detailed work, and left him less time to deal with joint committees.

In "Bill" Batt, Canada gains an advocate who from the earliest days of the War Production Board has had a keen appreciation of the Canadian point of view. His dual position as head of the Combined Raw Materials Board gives the new U. S. chairman of the Joint Committee an appreciation of Canada's dual role—as a primary source of material as well as a subsidiary claimant for U. S. orders.

Canada's Aluminum Capacity Won't be Expanded at Present

By STAFF WRITER

WASHINGTON. — Although the newly named Combined Aluminum Committee has not yet held its first meeting, it is understood that further expansion of aluminum capacity either in Canada or the United States is not to be undertaken at the present time.

So far as Canada is concerned, the present indication is that further expansion of aluminum capacity in this country is "out" for the duration. If, as and when any further additions to capacity are decided on, they will almost certainly be in the United States rather than in Canada.

Stated reasons for this decision are tied closely to the power situation. It is claimed that there is more power available in central and Atlantic states than there is in Canada.

The new committee comprises Charles E. Wilson, vice-chairman of W.P.B.; Sir Richard Fairey, director general of the British Air Commission, and George Bateman, Canadian Metals Controller. The committee will report its findings to the W.P.B.'s aluminum and magnesium division.

P. W. Rolleston, director of material and supply, supply services, British Air Commission, has been named to prepare detailed estimates of 1943 and 1944 production and requirements for the three countries.

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In Your Opinion—

Should We Revise Constitution Now?

Alexander Brady

Professor of political science, University of Toronto.

I believe that a constitutional convention, not necessarily now, at least should meet before the end of the war. This belief rests on the conviction that some constitutional amendment is necessary in order to implement any adequate national system of social security, and such amendment is likely to be easier under the emotional pressures of war than during the vexed era after the peace.

* * *

John Blue

Former secretary, Edmonton Chamber of Commerce, Edmonton.

Edmonton Chamber of Commerce strongly supports view that Dominion - provincial conferences should be held to study and advise on the revision of Canadian constitution and the consideration of the Marsh report. The past history of clashes between federal and provincial authority indicates the necessity of such a conference.

The Question—"If Marsh social security report and other aspects of postwar planning are contingent on revision of constitution should Dominion-Provincial conference for this purpose be called at once?"

Father Branch

Publisher, Model Publications, Gravelbourg, Sask.

It is imperative as a civilian and military war morale builder and strong foundation for faith in Canada that the Marsh report be followed by definite realization steps. This cannot be done democratically except by immediate Dominion-Provincial conference. The Marsh report must not be a March hare.

* * *

J. H. Cranston

Editor, Free Press, Midland, Ont.

Unless a preliminary poll of provincial prime ministers shows that all provinces are willing to consider favorably such changes in the national constitution as necessary to put postwar security and other plans into working effect, I believe it would be folly to call a conference and risk another Sirois report debacle. A survey of amendments necessary should be made and published.

If provincial governments are ready to make such sacrifices of autonomy as necessary, provided details can be satisfactorily worked out, then a conference should be called immediately so as to be ready when peace comes. Without a genuine willingness on the part of the strong to help share the burdens of the weak there is little hope.

The financial cost of the Marsh scheme is so tremendous that it will require the utmost co-operation from all.

* * *

Maurice L. Duplessis

Former premier and leader of the opposition in the Quebec legislature.

These problems come under provincial jurisdiction in virtue of the British North America Act, 1867. This is a sacred pact which must be respected in its spirit and letter. Only imitators of Hitler would think of violating such a sacred agreement between minorities and majorities.

The Canadian Constitution and the jurisprudence established by the Privy Council give exclusive jurisdiction to the provinces.

We are ready to co-operate in the enactment of any reasonable and just project safeguarding the rights and needs of everybody concerned and which would be a proper and fair solution to the problems of today and those of the postwar period.

We are strongly opposed to centralization and assimilation which can only generate disunion and "Hitlerist" injustice.

* * *

R. A. Gurney

News editor, Daily Colonist, Victoria, B.C.

In these days of perplexity of thought, it might be a better thing not to add to the confusion and to concentrate on the one main issue—win the war. I cannot see where any good purpose would be served by a Dominion-Provincial conference to deal with revisions of constitution until it had been finally determined what revisions would be necessary. Provinces must first define their interests. Having done that, they should look at the Marsh report and then determine from their own findings what is best for the whole Dominion. It is a big job—as big as the war—but the war job comes first.

* * *

Andrew Hebb

Editor, Era, Newmarket, Ont.

The Dominion parliament really has power to amend the constitution, as it has only to ask the British parliament to amend the British North America Act. The British parliament could hardly refuse such a request even if the provinces requested, or the statute of Westminster means nothing.

The Dominion should ask formal recognition of the existing situation in the form of a final amendment to the British North America act giving the Dominion parliament power to make future changes. Then the Dominion should consult the provinces concerning the proposed changes through Dominion members of Parliament rather than provincial governments, who naturally oppose the lessening of their powers. The Canadian parliament is our Dominion-provincial conference.

* * *

C. A. Hayden

Editor, Country Life, Vernon, B.C.

If the Marsh report and certain other postwar plans are contingent on the revision of constitution I suggest these projects be revamped so such a contingency disappears. I fear that a Dominion-Provincial conference predicated on a change in the constitution inevitably would be a failure and waste of precious time. However, a Dominion-Provincial conference deftly avoiding constitutional traps and devoting energies honestly to hard-headed planning for Canada's full partner inclusion in world pooling of trade involving distribution and absorption of surplus commodities primary and processed, would pay dividends. These dividends are essential if the Marsh plan and all other postwar social security projects are to be financed.

* * *

H. T. Halliwell

Editor, Gazette, Macleod, Alta.

To make effective and uniform postwar planning requires a Dominion - provincial conference. Though the last conference on the Sirois Report showed that some of the provincial premiers were not willing to co-operate, the present sentiment among Canadian people indicates that they would be overwhelmingly in favor of the Marsh social security plan as a means, at least, to guarantee old people a safeguard against poverty.

If provincial premiers are against it for political reasons, they could not resist, without severe censure of the people, their co-operation with the Federal Government. In Alberta, where poverty in the midst of plenty has been dinned into people's ears, the Marsh plan should be doubly welcomed.

* * *

W. P. Jones, K.C.

Woodstock, N.B., prepared New Brunswick's case for the Sirois Commission.

My opinion is that it would not be useful to have a Dominion-Provincial conference at this time. We have not sufficient knowledge as to what conditions may exist after the war. It is difficult to deal with questions without knowing the facts. Any postwar plans announced prematurely might confuse the public mind making it difficult to make necessary changes when the plan is finally being adopted. The settlement of the matters raised before the Sirois commission is vital to any postwar arrangements and this should be taken up at the earliest possible moment.

* * *

A. R. M. Lower

United College, Winnipeg, author of "Canada and the Far East."

A Dominion-Provincial conference should be called as soon as practicable but not at once. The Marsh report needs debate, requires time for digestion. This is still truer of other reconstruction projects and these are even more pressing than the Marsh proposals. They should be made the subject of another such report. When vigorous discussion in the press, radio, etc., should be followed up in a well-staged semi-official conference of non-party representatives of all sections and shades of opinion to prepare the ground and secure public interest. This to be followed as soon as possible by a carefully prepared official conference.

* * *

Father Dauteuil Richard

Editor, Relations, Montreal.

The question seems premature. The Marsh report and recommendations of the varied committees on reconstruction are not yet available to the public. Without a first-hand knowledge of the value and ways of enforcement of the proposed social reforms no considerate answer can be given. It might, therefore, be necessary to recall the fundamental principle which commands the whole matter.

Social legislation belongs to the provincial jurisdiction not by some haphazard circumstance but as the result of the ethical, cultural, political, geographical and economic diversity of our immense country which, for these peculiar reasons, is a federal provincial country. This diversity still holds today and is in no way contrary to the building of a strong nationhood as the example of the highly decentralized Switzerland proves. The federal government's job is to stimulate and help

(Continued on page 8)

Provincial Premiers Reply

Hon. William Aberhart

Premier of Alberta.

Loss of individual freedom, state regimentation and bureaucracy tending toward national socialism such as the Marsh report would necessitate are too high a price for Canadians to pay for the meagre security benefits offered. No conference of Dominion-Provincial representatives could have authority to barter away the people's freedom without a definite mandate from the electorate.

I am opposed to making the constitution fit the demands of a financial system in violation of the people's democratic rights. The abundance capable of being produced can be equitably distributed and will give security with freedom to all without constitutional change. The British policy of decentralization of authority is absolutely fundamental to democracy.

* * *

Hon. G. D. Conant

Premier of Ontario.

As indicated in my letter to the Prime Minister of Canada of March 8, I think there must be complete understanding between the Dominion and the provinces before any additional social services can be instituted or existing social services extended. This is necessary because of the constitutional and financial aspects involved. It is for the Dominion authorities to determine, however, whether and when there should be a conference because that depends upon their plans and policies and when they intend to make them effective.

* * *

Hon. Stuart Garson

Premier of Manitoba.

Postwar plans are rather useless unless put into effect. Some government has to pay to do this. Under our constitution the responsibility for essential parts of any Canadian postwar programme belongs to the provinces. If they cannot and are not enabled to finance these provincial responsibilities these essential parts of the programme will fail of accomplishment.

Provincial tax revenues are realized by applying the limited provincial taxing powers to the taxable resources within the boundaries of each province. In at least half of the Canadian provinces the taxable resources themselves are also limited. The application of limited taxing powers to them will not produce enough provincial tax revenues to finance the provincial share of an adequate postwar programme.

If, therefore, we mean business we should at once consider in a Dominion-provincial conference whether and how under present division between the Dominion and provinces of governmental responsibilities and taxing powers we can finance any postwar programme which we may adopt. Until we come to grips with this crucial question our postwar planning efforts will remain Utopian window shopping.

* * *

Hon. Adelard Godbout

Premier of Quebec.

I do not think it advisable to issue any statement at present.

* * *

Hon. John Hart

Premier of British Columbia.

Owing to pressure of legislative duties, have been unable to make a study of the Marsh report; however, if a conference is called British Columbia will certainly be represented.

* * *

Hon. John B. McNair

Premier of New Brunswick.

A Dominion-Provincial conference to consider the constitutional changes necessary for the adoption of a social insurance programme on a national scale would seem to me premature at the present moment. I feel it should be deferred until the parliamentary committees recently set up at Ottawa have developed concrete proposals which may form the basis of negotiations between the Dominion and the provinces for specific amendments to the B. N. A. act.

* * *

Hon. W. J. Patterson

Premier of Saskatchewan.

A Dominion-provincial conference to consider the constitutional aspects of social security report and postwar planning would be more useful at a later date when proposals now before the parliamentary committee have been more fully considered. In the future as in the past, Saskatchewan is not disposed to allow constitutional technicalities to interfere with the establishment of a measure for the welfare of the people.

Up to the time of going to press no replies had been received from the premiers of Prince Edward Island and Nova Scotia.

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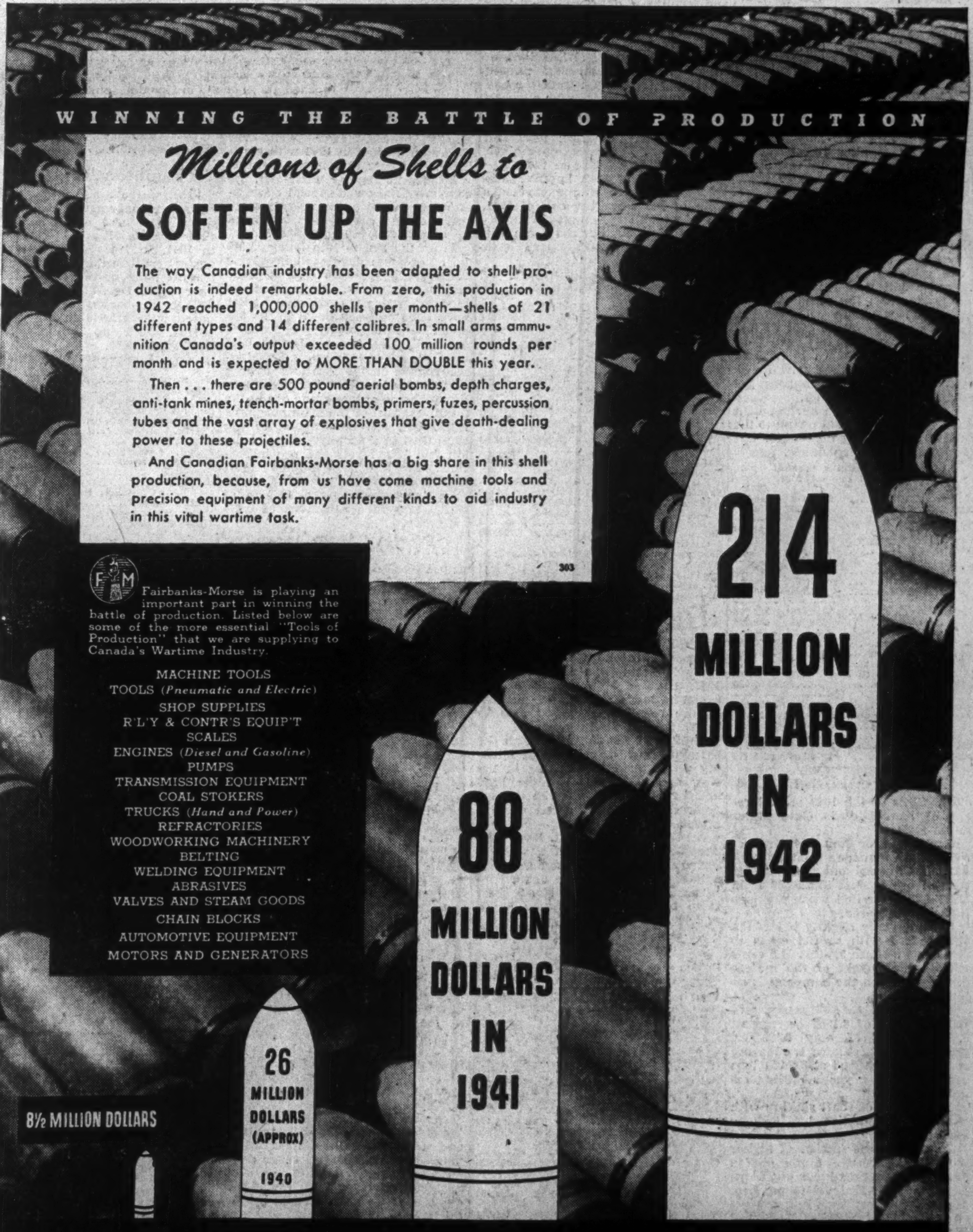

Millions of Shells to
SOFTEN UP THE AXIS

The way Canadian industry has been adapted to shell production is indeed remarkable. From zero, this production in 1942 reached 1,000,000 shells per month—shells of 21 different types and 14 different calibres. In small arms ammunition Canada's output exceeded 100 million rounds per month and is expected to MORE THAN DOUBLE this year.

Then . . . there are 500 pound aerial bombs, depth charges, anti-tank mines, trench-mortar bombs, primers, fuzes, percussion tubes and the vast array of explosives that give death-dealing power to these projectiles.

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303

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Company Reports

Earnings Statements Show Lower Trend

MINING

Hard Rock

Despite a higher level of production, earnings of Hard Rock Gold Mines in 1942 were relatively lower than in the immediately preceding ten months due to higher labor and supply costs and increased taxes.

Following completion of the shaft from 475 to 1,375 ft. depth, six new levels were established at 150-ft. intervals. Crosscutting to the ore zone on two of these levels—the 775 and 1,375-ft.—was under way at the end of the year.

Due to concentration of efforts on shaft sinking, ore reserves at the end of 1942 were lower at 410,000 tons to the 775-ft. level averaging $7.46 per ton. Reserves at Dec. 31, 1941, had totalled 630,000 tons. Broken reserves have been increased.

Possibilities of arsenic were investigated but the company has decided against installing a plant.

Income and Surplus Account

	Year ended Dec. 31 1942	10 Mos., to Dec. 31 1941
Bullion	$1,238,828	$979,737
Less: Marketing	13,966	11,096
Net production	1,224,862	968,641
Less: Development	23,980	90,546
Mining	361,828	259,387
Milling	243,825	180,496
Cost of concs.	......	3,783
Gen. & admin.	91,389	73,586
Operating profit	503,840	360,843
Add: Interest earned	2,951	1,750
Total net earnings	506,791	362,593
Less: Depreciation	109,495	90,659
Development w/o	78,881	66,551
Taxes	107,282	55,102
Net profit	211,133	150,321
Less: Dividends	179,404	239,206
Surplus for year	31,729	*88,885
Add: Prev. surplus	136,485	227,140
Refundable tax	4,000	......
Less: Organ. expense	......	1,770
Exploration w/o	486	......
Surplus forward	171,728	136,485

*Deficit.

Earnings per share and Dividend Record:		
Earned	$0.07	$0.05
Paid	0.06	0.08
No. of shs. outstanding	2,990,074	2,990,074
Working capital	$470,403	$210,598

Bobjo Mines

Staking of claims on a promising tin discovery in Manitoba is noted by President R. J. Jowsey in the Bobjo Mines 1942 report to shareholders. The company is also continuing its investigation of oil-bearing structures in Saskatchewan.

Success of the Dominion Magnesium process for turning out magnesium is noted. Bobjo participated in the original financing of this and is stated to retain a "substantial interest."

Income and Deficit Account Years Ended December 31

	1942	1941
Interest	$738	$3,106
Dividends, royalties	6,857	8,252
Total income	7,595	11,358
Less: Administration	8,284	9,154
Development	......	884
Net profit	*689	1,320
Less: Deficit forward	3,125,766	3,127,086
Deficit forward	3,126,455	3,125,766
*Loss.		
No. of shs. outstanding	4,186,802	4,186,802
Working capital	$4,714	$47,291

Island Mountain

Lower production only partly offset by a decline in operating costs reduced Island Mountain Mines earnings from 27 to 20 cents a share in 1942.

Shortage of labor is reported the cause of the lower 1942 output. This situation is stated to have been relieved somewhat although the company is still short of labor.

Ore reserves at the end of 1942 showed slight declines in tonnage and grade from the previous year, totalling 71,000 tons of 0.456 oz. grade as against 73,000 tons of 0.47 oz. grade. The shaft has been continued a farther 451 ft. to 1,530 ft. below the collar; three new levels have been established but as yet none has been opened up.

A start was made on development of the Myrtle group but owing to the difficulty of getting men work was discontinued in September.

Income and Surplus Account Years Ended December 31

	1942	1941
Bullion output	$811,156	$954,248
Less: Operat. costs	469,353	519,704
	341,803	434,544
Add: Interest earned	595	1,651
Less: Invest. loss	281	......
Net income	342,117	436,195
Less: Depreciation	20,727	36,485
Income taxes	107,744	117,492
Net profit	213,646	282,218
Less: Dividends	136,593	189,129
Surplus for year	77,053	93,089
Add: Prev. surplus	121,531	97,505
Refund. tax	4,122	......
Less: Deprec. adjust.	......	16,528
Dividend adjust.	......	52,536
Surplus forward	202,706	121,530
Earnings per share and Dividend Record:		
Earned	$0.20	$0.27
Paid	0.13	0.18
No. of shs. outstanding	1,050,716	1,050,716
Working capital	$279,353	$275,173

Kerr-Addison

Highlights of the 1942 annual report of Kerr-Addison Gold Mines are as follows:

New highs for both total production and tonnage treated with $6,232,794 turned out from 756,543 tons of ore against $5,626,389 from 694,894 tons for 1941 when previous highs were scored.

Earnings only slightly below the 1941 record with profits equal to 50.6 cents a share against 51.8 cents despite the weight of the income tax from which the company is no longer exempt.

A new high for ore reserves at 8,212,292 tons of 0.1927 oz. against 8,151,844 tons of only 0.185 oz. grade a year previous; broken ore reserves maintained at 812,051 tons or more than a year's milling requirements.

Completion of shaft sinking with new levels established at 1,600 to 2,650 ft. depth.

Continued intersection of higher than mine average grade ore in deep diamond drill holes put down from the 1,300-ft. level to prospect deeper horizons.

Kerr-Addison achieved its record 1942 production and shaft programme in the face of a drop in employees from 637 to 442. Almost 98% of all mining was again above the 700-ft. level but a considerable amount of stope preparation was done on the 1,000-ft. level and a lesser amount on the 850-ft. level.

Discovery of scheelite ore in otherwise barren tuffs is noted. While small tonnages are evidently of worthwhile grade, it is not yet evident that tonnages are sufficient to warrant installation of a concentrator.

Income and Surplus Account Years ended December 31

	1942	1941
Bullion production	$6,232,794	$5,626,389
Less: Operat. exp. etc.	2,215,303	1,917,363
Admin. & general	55,684	196,477
Operat. profit	3,961,807	3,512,549
Add: Other income	58,166	21,178
	4,019,973	3,533,727
Less: Depreciation	418,373	330,756
Development w/o	169,546	155,986
Taxes	1,036,990	592,946
Net profit	2,395,064	2,454,039
Less: Dividends	1,655,605	1,655,605
Surplus for year	739,459	798,434
Add: Prev. surplus	2,423,354	1,623,807
Adjustments	397	1,113
Surplus forward	3,163,210	2,423,354
Earnings per share and Dividend Record:		
Earned	$0.506	$0.518
Paid	0.35	0.35
No. of shs. outstanding	4,730,301	4,730,301
Working capital	$4,384,447	$1,648,185

Hallnor Mines

While development drifting was only 5.8% in ore in 1942, Hallnor Mines increased tonnage of ore in reserve by approximately 3,000 tons to 630,886 tons of $14.25 grade, the same grade as the previous year. Increased stoping widths more than made up for tonnage milled, it is stated. Reserves are sufficient for five years' milling.

Earnings, off 13 cents at 49 cents a share for 1942, reflected lower production, $2,308,711 being secured from milling 128,973 tons of ore for an average recovery of $17.90 per ton. Flat drilling on the bottom or 2,160-ft. level totalled 21,805 ft. Considerable sections of quartz were encountered in drilling from the west drift but no ore was found.

While labor turnover the first nine months of 1942 was very high, since September turnover has been the lowest since the mine started.

Income and Surplus Account Years Ended December 31

	1942	1941
Metal recoveries	$2,308,711	$2,527,351
Inc. from invests	32,713	31,140
Net income	2,341,424	2,558,491
Less: Operat. expenses	702,347	700,383
Admin. and gen.	18,942	19,748
Operating profit	1,620,135	1,838,360
Less: Depreciation	161,746	162,664
Development w/o	83,132	83,133
Tax reserves	401,935	359,046
Net profit	973,322	1,233,517
Less: Dividends	800,000	1,200,000
Surplus for year	173,322	33,517
Add: Prev. surplus	1,693,717	1,660,200
Tax adjustment	55,300	......
Profit on securities	3,778	......
Surplus forward	1,926,117	1,693,717
Earnings per share and Dividend Record:		
Earned	$0.49	$0.62
Paid	0.40	0.60
No. of shs. outstanding	2,000,000	2,000,000
Working capital	$2,274,505	$1,799,522

Pamour Porcupine

Inability to complete its normal amount of development cut costs at Pamour Porcupine Mines in 1942, and resulted in net earnings slightly above those of the previous year, despite drops in both average and total recovery.

Ore reserves at 1,707,600 tons of 0.113 oz. grade, however, remain practically unchanged from the end of the previous year with a year's broken ore on hand at mill capacity of 1,500 tons daily. Drifting was done east on the 1,200, 1,400 and 1,600-ft. levels and west on the 400, 600 and 1,400-ft. levels in 1942.

At the end of 1942, approximately 287 men were on the payroll, a drop of 208 since the end of 1941, 187 of which were employed underground. Any further reduction will seriously affect production, it is stated.

Income and Surplus Account Years Ended December 31

	1942	1941
Metal recoveries	$2,343,907	$2,577,580
Less: Operat. expenses	1,387,832	1,556,714
Admin. & gen. exp.	23,423	25,383
Legal fees	1,002	1,203
Directors' fees	500	650
Operat. profit	981,150	993,630
Add: Inc. from invests.	39,870	35,775
Profit on invests.	4,293	875
Net earnings	1,025,313	1,030,280
Less: Depreciation	194,510	192,986
Reserve for taxes	204,378	230,517
Development w/o	88,360	88,359
Net profit	538,065	518,418
Less: Dividends	400,000	600,000
Surplus for year	138,065	*81,582
Add: Prev. surplus	1,700,545	1,782,127
Tax adjustment	26,595	......
Surplus forward	1,865,205	1,700,545

*Deficit.

Earnings per share and Dividend Record:		
Earned	$0.108	$0.103
Paid	0.08	0.12
No. of shs. outstanding	5,000,000	5,000,000
Working capital	$2,227,573	$1,799,821

Bidgood Kirkland

Despite the Kirkland Lake strike, Bidgood Kirkland Gold Mines increased output by nearly $40,000 in 1942, showed a profit of $22,333 against a loss of $3,447, and increased ore reserves by 23,987 tons to 70,137 tons of $12.13 grade.

Finding of the No. 16 vein on the 500 and 650-ft. levels and the opening up of good ore lengths in the Nos. 12 and 14 veins on the 1,150 and 1,275-ft. levels allowed the increases in production and ore reserves.

Results on the 1,275-ft. level—the deepest level off No. 2 shaft—are stated to be quite satisfactory with a total of 535 ft. of ore opened up in partial exploration. No. 2 shaft is to be deepened for new levels at 1,400 and 1,525 ft.

Income and Surplus Account Years Ended December 31

	1942	1941
Bullion sales	$507,219	$467,890
Add: Sundry revenue	6,908	7,868
Total income	514,127	475,758
Less: Development	77,227	128,424
Mining	229,910	179,740
Milling	73,290	66,638
Admin. & general	38,956	38,581
Head off. expense	10,493	10,483
Interest	......	253
Net earnings	84,251	51,639
Less: Depreciation	55,418	55,086
Inc. & E. P. taxes	6,500	......
Net profit	22,333	*3,447
Previous deficit	485,726	482,279
Add: Adjusts.	6,798	......
Deficit forward	470,191	485,726

*Deficit.

Earnings per share and Dividend Record:		
Earned	$0.006	d$0.001
None paid.		
No. of shs. outstanding	3,731,715	3,731,715
Working capital	$191,578	$120,212

Jason Mines

Twin "J" Mines, the new three million share company in which Jason Mines holds 1,949,995 shares, is expected to be in production by April 30, Colonel E. M. Thomson states in the annual report to Jason shareholders. The Jason mine in Ontario was closed the latter part of 1942 due to labor shortage. Arrangements for Twin "J" were completed at small capital cost.

Under the agreement of Twin "J" Mines with the Department of Munitions and Supply, $228,500 is supplied by the government for capital expenditures and Jason Mines receives a $500 a month operating fee. For metals produced, Twin "J" receives 1.65 cents a pound for copper, 0.55 cents a pound for zinc and 0.45 cents a pound for lead. Besides this, Twin "J" is allowed 1.35 cents a pound for copper, 0.6 cents a pound for zinc and 0.675 cents per pound for lead, U. S. funds, to retire capital advanced. All capital advanced by Jason is to be repaid out of first profits.

Ore reserves at Twin "J" are estimated at two years' supply at mill capacity of 4,000 tons monthly.

Jason mine ore reserves at Oct. 20, 1942, totalled 45,888 tons averaging $16.13 a ton.

Income and Surplus Account Years Ended December 31

	1942	1941
Bullion recovery	$538,416	$766,708
Less: Oper. costs	374,005	438,573
Admin. & gen. exp.	16,232	22,679
Exploration w/o	1,891	......
Net earnings	146,288	305,456
Add: Sundry revenue	3,324	2,007
Less: Depreciation	90,757	89,500
Development w/o	38,970	37,011
Taxes	*	30,269
Interest	905	......
Net profit	†18,980	150,683
Less: Dividends	......	119,960
Surplus for year	18,980	30,723
Add: Prev. surplus	165,115	135,474
Less: Contingency res.	10,000	......
Adjustments	......	1,082
Surplus forward	174,095	165,115

*Not charged to operations in 1942. †Before taxes.

Earnings per share and Dividend Record:		
Earned	$0.006	$0.05
Paid	nil	0.04
No. of shs. outstanding	2,999,005	2,999,005
Working capital	$224,403	$122,052

Earned per Common Share	1942	1941
Bidgood Kirkland	0.006	d0.001
Blue Top	8.37	9.67
British Canadian	1.74	3.34
Can. Perm. Trust	7.51	8.00
Hallnor	0.49	0.62
Hard Rock	$0.07	$0.05
Island Mountain	0.20	0.27
Jason	0.006	0.05
Kerr-Addison	0.50	0.51
Lambton Trust	3.3%	3.4%
London & Western	2.26	2.17
Pamour Porcupine	0.11	0.10
Preston East Dome	0.21	0.28
Western Trust	2.24	1.92
United Amusement	1.52	1.49

Preston East Dome

Although an average of 840 tons a day was milled in 1942 against 534 tons in 1941, Preston East Dome Mine's profits, after write-offs, showed a decline in 1942 with earnings 25% lower at 21 cents a share.

Besides its regular write-offs, the company is allowed special depreciation write-offs and partly as a result working capital was increased by almost $300,000 to $608,521.

From the 3rd to 10th levels, 2,140 ft. of ore was developed in quartz veins averaging 0.226 oz. cut grade across drift width. Ore possibilities in the large porphyry ore bodies have been outlined down to the 8th level. Both the porphyry and quartz ore bodies show a smaller tonnage from the 8th to 11th levels. Development work on the 12th and drilling on the 13th level has indicated only limited areas of low-grade ore in the southwest part of the main porphyry mass. Ore has been found to the southwest in a porphyry zone at the 9th and 12th levels and ore indications have also been found in footwall greenstones.

Ore reserves show a decline of 59,600 tons to 860,100 tons of 0.223 oz. grade.

Income and Surplus Account Years Ended December 31

	1942	1941
Bullion production	$2,791,800	$2,399,270
Less: Marketing	31,204	26,852
Net recovery	2,760,596	2,372,418
Less: Operat. expense	1,532,272	1,046,805
Admin. expense	63,377	63,106
Operating profit	1,164,947	1,262,507
Add: Sundry income	16,969	22,635
Scheelite sales	971	......
Invest. income	20,053	30,709
Net earnings	1,202,940	1,315,851
Less: Develm't w/o	85,489	85,488
Depreciation	315,339	201,943
Provision for taxes	179,232	179,852
Adjustment*	1,625	206
Net profit	624,505	848,362
Less: Dividends	600,000	750,000
Surplus for year	24,505	98,362
Add: Prev. surplus	1,558,471	1,453,736
Profit on securities	†4,343	6,373
Surplus forward	1,578,633	1,558,471

*Credit. †Loss.

Earnings per share and Dividend Record:		
Earned	$0.21	$0.28
Paid	0.20	0.25
No. of shs. outstanding	3,000,000	3,000,000
Working capital	$608,521	$318,853

TRUST & LOAN

Empire Loan

An operating surplus of $11,367 was drawn upon for the writing down of properties and adjustment of mortgages and agreements account of Empire Loan Co., Winnipeg. The deficit on the annual statement for the year ended Dec. 31 is offset by a deferred profit of $1,560, C. M. Simpson, manager, reports.

During the year the last outstanding debenture of $15,000 was retired, and a further reduction of $13,739 made in mortgage and other debts.

Farm situation remains an acute problem, but properties covered by city securities are stated to be in a fairly healthy condition.

Income, Deficit—Years Ended Dec. 31

	1942	1941
Net revenue, less exp.	$11,367	$3,972
Loss on prop. sold	12,880	12,352
Deficit	1,513	8,380
Add: Prev. deficit	90,657	82,276
Deficit forward	92,170	90,657

Niagara Falls Loan

Niagara Falls Loan & Savings Co. reports a net profit of $16,670 for the year ended Dec. 31, as compared with $20,186 in the previous year.

Debentures issued by the company at the end of the year amounted to $23,520 compared with $82,000 at the end of 1941. Real estate held for sale is shown at $212,564 in the latest statement against $332,344 a year ago. First mortgage holdings have decreased to $432,554 from $447,662.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Net earnings	$52,701	$55,692
Less: Debenture int.	2,277	4,837
Real est. res.	13,398	8,826
Mtge. res.	9,756	4,994
Taxes	10,600	16,850
Net profit	16,670	20,186
Less: Dividends	15,479	15,479
Surp. for year	1,191	4,707
Add: Prev. surp.	10,580	9,632
Prof. red. debs.	5	9
Less: Tfr. gen. res.	......	3,767
Deprec. adjust.	113	......
Surplus forward	11,663	10,580
Earned per Share*	2.15%	2.61%
Paid	2.00%	2.00%

*On the basis of paid-up capital of $773,970 in fully paid shares of $10 par value.

Can. Perm. Trust

Net profit of Canada Permanent Trust Co. in the year ended Dec. 31 was $75,096 as compared with $79,991 in the previous period. The guaranteed trust account was down from $1,016,575 to $888,722, a drop of $127,853. Estates, trusts and agencies are up some $3,229,000 to $55,265,989, the report of President F. G. Osler reveals.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Net profit*	$75,096	$79,991
Less: Dividends	60,000	60,000
Surplus on year	15,096	19,991
Add: Prev. surplus	107,428	91,281
Less: W/o safety dep. boxes	3,879	3,844
Surplus forward	118,645	107,428
*After deductions including taxes.		
Earned per share	$7.51	$8.00
Paid	8.00	6.00
Creditors' Position		
Guaranteed trust acct.	$888,722	$1,016,575
Secured by:		
Mtges. & int.	769,095	875,389
Liquid assets	119,627	141,185
Other net assets	1,519,045	1,507,428
	2,407,767	2,524,002
Estates, etc.	55,265,989	52,036,875

Lambton Trust Co.

Estates, trust and agency funds under management of Lambton Trust Co., were down slightly in 1942 to $510,501 as against $520,930 in 1941. In 1941 $2,707 was shown against real estate held for sale, against none in the report for the year ended Dec. 31.

Cash in banks is $24,821 compared with $15,949 in the previous period, paid up capital $315,350 against $314,850.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Net earnings	$10,336	$10,709
Less: Dividends	9,460	12,594
Surplus on year	876	*1,885
Add: Prem. on cap. stk.	50	......
Prev. surplus	15,120	17,005
Surplus forward	16,046	15,120
Earned per share	3.3%	3.4%
Paid	3.0%	4.0%
*Deficit.		
Assets Position		
Liquid assets	$152,118	$142,151
Mtges. & int. (net)	233,113	243,399
Other net assets	*3,836	*5,581
	381,395	380,596
Estates	510,501	520,930

*Excess of current liabilities over real estate held for sale.

London & Western

Liquid assets of London & Western Trust Co. increased by approximately 25% in the year ended Dec. 31, 1942, or roughly some $105,000, largely due to a reduction in real estate held for sale.

The balance of real estate held for sale is now $356,621, as against $632,761 in 1936, a decrease of 43½%. Sales of properties completed or under way this year will reduce real estate by a further approximate $100,000.

A dividend of $1 per share is payable in April, and a further payment may be considered later in the year depending on circumstances.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Net earnings	$52,040	$55,351
Less: Taxes	17,000	21,500
W/o off. premises	7,500	7,500
Net profit	27,540	26,351
Less: Divd	12,137	12,137
Surplus for year	15,403	14,214
Add: Prev. surplus	44,699	30,485
Surplus forward	60,102	44,699
Earned per share	$2.26	$2.17
Paid	1.00	1.00
Liabilities to Public as at Dec. 31		
Guaranteed funds	$2,641,275	$2,598,776
Secured by:		
Liquid assets	912,901	898,515
Mortgages, etc.	1,728,375	1,700,261
Other net assets	1,573,802	1,558,400
	4,215,078	4,157,176
Estates, etc.	41,269,532	40,377,974

Fidelity Trust

Mortgages and agreements held by Fidelity Trust Co., Winnipeg, were down $20,989 in the year ended Dec. 31, C. M. Simpson, manager, reports. Higher grain prices and a heavy crop have so far not improved collections owing to lack of markets and storage facilities.

Real estate holdings are up $8,300, due largely to cancellation of contracts. Mortgages payable to the amount of $2,275 were retired during the year and the bank debt reduced by $3,300 to $11,000.

In spite of the deficit caused by writing down of farm contracts, Mr. Simpson declares, directors are hopeful of an improved trend in operations.

Income, Deficit—Years Ended Dec. 31

	1942	1941
Income	$10,462	$11,470
Expenditure	18,918	13,144
Net loss	8,455	1,674
Add: Adjustments	......	224
Deficit on year	8,455	1,898
Add: Prev. deficit	3,001	1,103
Less: Profit on real est.	512	......
Deficit forward	10,944	3,001

British Canadian

British Canadian Trust Co., Lethbridge, Alta, showed a net profit of $3,382 in the year ended Dec. 31 as compared with $6,489 in the previous period. Per share earnings in 1942 were $1.74 as against $3.34. Dividends of $3,430 were paid, a decline of $3,422 from the previous total of $6,852.

Consol. Profits, Loss—Years Ended Dec. 31

	1942	1941
Revenues	$32,936	$31,973
Less: Operating exps.	17,317	18,327
Depreciation	1,574	1,503
Taxes	4,540	2,563
Bond int. resv.	532	562
Bad debts	281	483
Mtge. int. loss	5,560	......
Property sale loss	......	*2,005
Misc.	......	41
Add: Profit on auto	250	......
Net profit	3,382	6,489
Less: Dividends	3,430	6,852
Deficit on year	48	363
Previous surplus	283	647
Surplus forward	234	283
Earned per share	$1.74	$3.34
Paid	1.76	3.53

*Less $1,450 charged temporarily to reserves.

Creditors' Position		
Guaranteed trust acct.	$152,692	$142,947
Secured by:		
Liquid assets	$118,536	$109,395
Mortgages and int.	34,156	33,552
Other net assets	200,089	200,148
	352,781	343,095
Estates	1,313,521	1,198,207

Western Trust

The position of the prairie farmer improved during 1942, declares Robert Johnston, president of Western Trust Co., Winnipeg, in his report for the year ended Jan. 1.

A semi-annual dividend of $1 was paid Mar. 1, last, after a six-year lapse.

Profit, Loss—Years Ended Jan. 1

	1943	1942
Net earnings	$34,965	$26,627
Less: Taxes	12,400	7,325
Net profit	22,565	19,302
Add: Prev. surplus	49,002	29,700
Surplus forward	71,567	49,002
Earned per share	$2.24	$1.92
No dividend paid.		
Creditors' Position		
Guaranteed account	$223,733	$272,283
Held by:		
Liquid assets	24,515	24,140
Mortgages, etc.	199,219	248,143
Other net assets	1,476,906	1,454,380
	1,700,640	1,726,667
Ests., trusts & agencies	4,995,431	5,238,050

INDUSTRIAL

United Amusement

United Amusement Corp. reports moderate expansion in gross revenues during 1942, while net profits of $1.52 a share compare with $1.49 a share in 1941.

During the year, the company purchased the Strand Theatre property in Montreal.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Total earnings	$1,111,898	$977,620
Less: Gen. exps.	121,750	112,628
Amusement taxes	490,871	360,373
Gen. tax & licenses	107,752	111,511
Income taxes	85,031	80,537
Depreciation	106,274	114,376
Bond interest	70,069	70,793
W/o bond discount	6,639	6,639
Less bonds red.	386	......
Net profit	123,125	120,763
Less: Common divds.	64,663	64,663
Surplus for year	58,462	56,100
Add: Prev. surplus	335,452	279,352
Earned surplus forw'd.	393,914	335,452
Earned per share:		
Common	$1.52	$1.49
Paid	0.80	0.80
Working capital	$312,071	$376,117
Balance Sheet Changes		
Cash	$250,102	$360,604
Investments	117,661	140,046
Inventories	39,530	14,267
Mort. payable	100,000	......
Funded debt	1,361,400	1,410,500
Land	700,993	562,650
Buildings	2,343,607	2,268,607

Blue Top Brewing

Sales reached a high peak in 1942, Arthur Diesbourg, president of Blue Top Brewing Co., Kitchener, Ont., reports in the annual statement for the year ended Dec. 31. However, Mr. Diesbourg points out that regulations announced Dec. 16, 1942, restricting sale of beer to not more than 90% of the amount sold in the period between Nov. 1, to Oct. 31, 1941, will affect operations in 1943.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Gross oper. profit	$1,338,272	$1,122,594
Add: Other income	32,904	35,241
Total income	1,371,176	1,157,835
Less: Selling, dist. exp.	812,254	673,625
Exec. salaries	48,635	48,337
Directors' fees	8,000	4,000
Legal fees	60	25
Other admin. exps.	51,673	64,775
Inc. & E. P. taxes	*289,725	191,000
Net profit†	151,829	176,073
Less: Class A divd.	10,897	10,920
Surplus for year	140,932	165,153
Add: Prev surplus	699,979	506,883
Tax adjustment	890	28,968
Prof. on equip., inves.	1,015	‡1,026
Refund. portion of tax	27,005	......
Less: Tools w/o	1,119	......
Prem. Cl. A redempt.	48	......
Earned surplus forw'd.	868,654	699,979

*Including refundable portion of $27,005. †After depreciation: $57,388, $49,627. ‡Loss.

Earned per Share:		
Class A	$8.37	$9.67
Paid	0.60	0.60
Working capital	$65,439	$34,065

London Canadian

London - Canadian Investment Corp.'s report for 1942 shows increased investment in net revenue and higher market valuation of assets.

During the year the market value of the investment portfolio increased 10%, bringing the break-up value of the preferred shares to $37.49, as against $19.45 at the end of 1941. Investment revenue last year was up slightly at $285,567, while the net profit available on the 5% preferred stock was equal to 1.96%, compared with 1.68% in 1941.

Income, Surplus, Years Ended Dec. 31

	1942	1941
Gross income	$ 285,567	$ 235,735
Less: Expenses	44,375	99,826
Interest	183,107	186,063
Net income	58,085	49,856
Previous surplus	796,639	743,824
Add: U. S. tax	18,475	2,959
Balance forward	873,199	796,639
Balance Sheet Changes		
Cash	$ 21,400	$ 113,795
Investments*	8,981,152	8,890,470
Demand loan	445,000	445,000
O/s debentures	3,649,000	3,696,500
*Market value	3,257,974	4,706,829

INSURANCE

Canadian Indemnity

Increases in income, surplus and total assets are shown by the Canadian Indemnity Co. in its annual report for 1942.

Net premium income for all classes of insurance written in 1942 amounted to almost $1.3 million, an increase of 2.7% over the previous year. Ratio of losses incurred to premiums earned was 33.8%.

The ratio of general expenses, excluding government license fees and taxes to net premiums written was 49.3%. The ratio of government license fees and taxes to net premiums written was 14.5%. Dividends at the rate of 6% per annum and a bonus of 2% making a total of 8% for the year, were declared and paid.

	1942	1941
Net prem. inc.	$1,279,354	$1,244,309
Losses & adjust. pd.	231,740	277,452
Total assets	2,551,759	2,364,403
P'holders surplus	760,138	699,033
Loss ratio	33.8%	36.1%

North America Ins.

Increased premiums in all divisions of its Canadian business, with a favorable overall loss ratio, is shown by the Insurance Co. of North America for 1942. Total fire premiums were $1.5 million, up $212,134 from the previous year. The loss ratio on an incurred basis was 28.85%. Premiums written in the inland marine and casualty and automobile divisions were also higher, the loss ratio in inland marine being 66.52% and in casualty and automobile 29.26%. The overall loss ratio was 37.65%.

Canadian Business

	1942	1941
Premiums total	$2,292,548	$1,884,090
Fire	1,500,378	1,288,244
Inland Mar.	532,990	363,103
Cas. & auto.	259,180	232,743

Total net premiums of the company over its entire operations were $50 millions, up almost $17 millions from 1941. Premium income on ocean marine insurance reached an all-time high in 150 years in business. Of $20.8 millions in premiums written, about $17.8 millions represented war risk premiums; over $3 millions was ocean marine business apart from war risks. Inland marine premiums including aircraft, totalled $6.1 millions. Assets increased from $116.8 millions to $124.4 millions. Policyholders' surplus at the end of 1942 was $75.6 millions.

Ratio of fire losses incurred to premiums earned during the year rose from 40.4% in 1941, to 44.1% in 1942, reflecting an increased number of fire losses and higher costs of each fire. As fiduciary agents of the War Damage Corp., North America wrote more than 200,000 policies on which premiums amounted to more than $7.9 millions.

Total Business

	1942	1941
Prems., total, net	$50,011,544	$33,093,146
Total assets	124,441,223	116,796,307
Unearned prem. res. (fire & marine)	27,990,334	25,563,255

Additional Company Reports on Page 27

Further Rise In Note Issue

Total Reaches $708 Millions—Deposits With Bank of Canada Down

Note circulation of the Bank of Canada continues to climb and reached the new high level of $708 millions in the week ended March 17. Total deposits were lower, due to a decrease in miscellaneous deposits, including those of foreign governments and other central banks.

On the credit side total investments were slightly higher.

	Mar. 17 1943 $	Mar. 10 1943 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in cir.	707,898,680	702,752,269
Rest fund	6,472,953	6,472,953
Deposits: Dom.	17,213,102	12,655,413
Banks	247,146,234	246,517,593
Other	20,248,719	27,720,267
Total deposits	284,608,055	286,893,273
All other	7,654,022	8,227,517
Total liabs.	1,011,633,710	1,009,346,012
Assets:		
In Sterling & U.S.	327,389	327,388
Subsid. coin	250,901	259,371
Investments:		
Dom. gov. sh.	728,822,060	727,957,223
Other Dom. gov.	269,226,632	263,646,801
Total invest.	998,048,692	991,604,024
Premises	2,104,106	2,103,364
All other assets	10,902,622	15,051,864
Total assets	1,011,633,710	1,009,346,012

Mutual Of Canada

Experience of the Mutual Life Assurance Company of Canada in 1942 shows total payments to living policyholders in 1942 at $8.7 millions. Death claims were $4.6 millions. Total insurance in force at Dec. 31 was $638 millions. Payments to living policyholders in Canada in 1942 were $8.4 millions with payments to beneficiaries on death claims $4.4 millions. Total business in force in Canada was $615.9 millions. The company writes ordinary and group insurance.

The following corrects certain figures recently published in The Financial Post:

Total Operations in Canada and Elsewhere

Insurance in Force (Thousands of dollars)

	Ordinary	Group	Total
1942	608,940	29,586	638,526
1941	581,079	28,285	609,364

New Insurance Effected

	Ordinary	Group	Total
1942	50,811	11,144	61,955
1941	43,407	10,701	54,107

Total premium income: 1942, $18,765,159; 1941, $18,200,955.

Policy payments: To living policyholders, 1942, $8,759,105; 1941, $9,610,870.

Death claims: 1942, $4,665,194; 1941, $4,121,727.

Canadian Operations Only

Insurance in Force (Thousands of dollars)

	Ordinary	Group	Total
1942	586,769	29,183	615,951
1941	559,279	28,150	587,429

New Insurance Effected

	Ordinary	Group	Total
1942	49,180	10,829	60,009
1941	41,514	10,562	52,077

Total premium income: 1942, $17,924,939; 1941, $17,389,395.

Policy payments: To living policyholders, 1942, $8,487,690; 1941, $9,142,114.

Death claims: 1942, $4,443,965; 1941, $3,906,992.

THE ROYAL TRUST COMPANY

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ROBERT P. JELLETT, President
G. W. SPINNEY, Vice-President
ROSS CLARKSON, General Manager
J. F. WILKES, Assistant General Manager
G. T. BOGERT, Superintendent of Branches

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THE ROYAL TRUST COMPANY
CORPORATE SECURITY — PERSONAL SERVICE

Offices Across Canada from Coast to Coast

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada

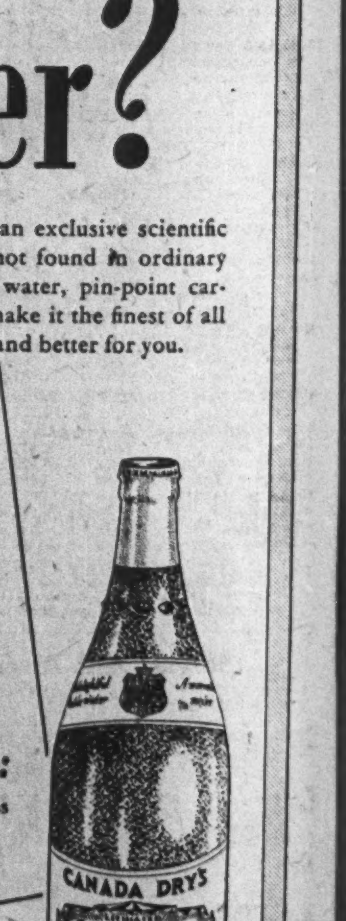
What is CANADA DRY'S Sparkling Water?

It is a super Club Soda. Made to an exclusive scientific formula, it possesses properties not found in ordinary "soda" water. Specially purified water, pin-point carbonation and added ingredients make it the finest of all mixers. Makes any drink better—and better for you.

IT'S Vitalized: Pin-point carbonation, Canada Dry's own process, gives it that million-bubble champagne sparkle. Makes drinks livelier—longer.

IT'S Alkaline: Special ingredients make it definitely alkaline in reaction.

Livens Flavour: Its million-bubble sparkle steps up the flavour of any drink.



3 SIZES
7 oz. Handy individual size, in 6-bottle cartons
12 oz. Favourite Club size.
30 oz. Economical Family size; makes 8 to 10 long drinks.

THE WORLD'S LARGEST SELLING CLUB SODA

The Shareholder

Profits of United Kingdom companies are securely limited by current tax schedules, The Economist thinks. As this journal comments: "EPT is still the great leveller; it is lopping off surplus earnings, stabilizing dividends, and leaving stolid profits figures for quarterly comment in these articles."

Gross profits for 565 U. K. companies whose reports appeared in the last quarter of 1942 showed a 2% decline, termed a "negligible" movement. The Economist suggests that postwar situation should be comfortably handled by reserves, stated and hidden, which British companies have been able to establish during the war years, even without allowing for the 20% offset against EPT which has been promised. It is held that "profit fluctuations are so limited in extent and random in direction that industry's gross earnings are to all intents and purposes fixed."

* * *

In Canada, we are approaching a similar situation. A number of annual reports now appearing for 1942 show higher net profits, after taxes, although it is significant that the manufacturing concerns are for the most part only holding their own. But it must be remembered that the higher profits reported for 1942 actually reflect the fact that 100% EPT in Canada only became effective July 1, 1942, and thus companies were able to achieve higher net profits due largely to the gains made in the first five months of last year.

For 1943, it seems unlikely that further profit gains can be achieved except in unusual circumstances. War industries are already operating at capacity and plant expansion has practically ended. Thus there is little opportunity for higher gross earnings. Also for 1943 the maximum rate of EPT will be 100%, subject to postwar refund, for the whole period, and under this tax structure companies paying the maximum rate cannot retain more than 70% of their prewar standard profit.

In some cases the results may mean some dividend reductions later this year but there should be opportunity to maintain investor return not far from last year's level. But it seems advisable for investors to appraise the position of their holdings with the tax position clearly in mind and its probable effect on dividend coverage. It is well, moreover, to note that refundable portion of EPT is not available for distribution as dividends.

Ont. Revenue $115 Millions

Budget to Repeat $20.7 Millions Surplus

Ontario is budgeting for a surplus of $20.7 millions in the fiscal year ending Mar. 31, 1944. For the year ending March 31, 1943, a similar surplus of $20.7 millions is estimated. The province has reduced its outstanding debt. It will impose no new taxation this year.

Surplus for the 1942-43 year is $7.4 millions higher than the $13.3 millions estimate made a year ago. The showing is largely attributable to an increase in revenue of the Liquor Control Board to $17.2 millions over the estimated $10.5 millions. For the new fiscal year the budget anticipates liquor revenues of $15.7 millions.

Estimated expenditures and revenues on capital and income account for the two fiscal years compare as follows:

Year Ending Mar. 31, 1943

	Current	Capital	Total
		$000	
Revenue	115,233	32,487	142,720
Expenditure	104,963	22,057	127,020
Surplus	10,270	10,430	20,700

Year Ending Mar. 31, 1943

	Current	Capital	Total
		$000	
Revenue	102,113	34,356	136,469
Expenditure	96,602	19,184	115,786
Surplus	5,511	15,172	20,683

73% Guaranteed

Presenting the budget, Hon. A. St. Clair Gordon, provincial treasurer, noted that under agreement with the Dominion over $74.5 millions of the province's estimated 1943-44 net revenue of $102.1 millions would be guaranteed by Ottawa, or 73% of the total.

In agriculture Mr. Gordon stated that the hog and cheese subsidies will be continued throughout the new fiscal year. The provincial department of agriculture has already set up in every county an Agricultural War Committee to report upon and organize locally for labor which may be supplied from any source. This effort will be co-ordinated with that in the urban centres where the Farm Service Force last year operated 16 government girls' camps with 2,303 girls, 15 private camps with 485 girls and women, four boys' camps with 260 boys, and nine Japanese camps with 372 young men. In addition, it obtained 1,500 women for canning factories and 300 men for wineries, and was largely responsible for getting 13,000 urbanites to help in hoeing, haying and harvesting.

Estimates for the new fiscal year include an increase of $500,000 for education, to improve educational standards and to meet wage competition from industry.

Tourist Trade Down

Revenue from games and fisheries during the past year, at $950,000, was down $230,000 from the previous year's record high, most of which was attributable to decreased American tourist trade.

Mr. Gordon declared that expansion of highway facilities has not only brought Ontario prominence as a leader in automotive transportation but has also brought enormous financial return. Between Nov. 1, 1934, and Feb. 28, 1943, the provincial department of highways spent $218.3 millions on capital and maintenance. During the same period it collected as revenue $255.3 millions. Comprehensive plans for postwar highway development are being prepared by department engineers and similar investigations are also being undertaken in conjunction with the municipalities.

War Training

In connection with the Dominion-Provincial war emergency training programme Ontario has enrolled to date close to 100,000 men and women, or more than 50% of the total trained in Canada under the scheme.

Development of the Onakawana lignite deposits is going ahead with every effort said being made to complete the processing plant so that production may start early next fall. To date, diamond drilling is reported to have mapped out more than 10 million tons of lignite, with a potential supply of over 100 millions said to be in the area.

Postwar Planning

The department of municipal affairs has set up in each municipality, special committees of council on postwar planning. Duty of these committees will be, with the department's assistance, to study the needs of their respective municipalities and to prepare lists of extensive works programmes that will aid in absorbing the jobless until such time as industry can again employ them.

On power consumption it is estimated that had it not been for conservation and curtailment, the primary demand for power would have increased 275,000 h.p., or 14%. During the year additional supplies of power totalling 129,000 h.p. were put into service. For the coming year 65,000 h.p. of new power will become available at DeCew Falls and improved Niagara conditions will add about 20,000 h.p. Present restrictions will continue.

Liquor Revenue

If no Dominion restrictions had been imposed it is estimated that liquor revenue for the year ending March 31, 1943, would have totalled $18.8 millions. With such restrictions in effect for a full year, i.e., beginning April 1, 1943, estimated total net income would be $11¾ millions, a drop of $7.1 millions. Under the Dominion guarantee the province is budgeting for $15¾ millions liquor revenue for the 1943-44 fiscal year.

Cut Debt

Mr. Gordon reported that provincial contingent liabilities as at Mar. 31, 1943, at $122.8 millions are down $2.3 millions; treasury bills at $43 millions are down $8.5 millions; funded debt at $610.4 millions is down $9 millions; net debt at $503.2 millions is down $3.8 millions on the year.

He added that, in co-operation with the Dominion Minister of Finance, amendments to the income tax regulations are under consideration whereby the Ontario natural gas industry will receive effective encouragement relative to the development of new and increased supplies of natural gas. Arrangements are in prospect of completion between the Dominion and Ontario to extend to the natural gas and petroleum industry in Ontario such favorable tax considerations as will prove a stimulus to the search for new sources of natural gas within the province, said Mr. Gordon.

The Bondholder

Fourth Victory Loan unit organizers took to the field this week preparing the way for the three-week campaign to be launched April 26. For the remainder of the loan period activity in other sections of the bond list seems likely to be limited.

* * *

Minimum objective of $1.1 billion will entail appreciably heavier individual response. In announcing the loan target Finance Minister Ilsley indicated that he did not expect to get much more from non-banking financial institutions and industrial corporations than the $600 millions they subscribed for the Third Victory Loan. That would mean subscriptions by individuals of at least $500 millions, or 33% more than the last time.

One form of the drive will be toward extending the payroll savings plan. This has yet to include all plants—in the last campaign 200 of Ontario's 2,200 plants did not come under the plan; while some workers are not yet subscribers.

* * *

Abitibi Power & Paper bonds featured the corporate section of the market this week with actuals and COD's moving up around two points. Decision of the Privy Council on the constitutionality of the Abitibi Moratorium Act is expected fairly soon. If it is declared unconstitutional, the way presumably would be open for the bondholders to proceed with sale of the company's assets or whatever other settlement they might choose. Regardless of which side the decision might be on, however, some traders see it as bullish in view of the fact that it will serve to clear the long-tangled Abitibi situation.

* * *

Dominion bonds continue in favor in the United States, according to the Wall Street Journal which comments:

"Dominion of Canada two-payment bonds continue to reflect demand at around their best level since outbreak of the war, and traders report the floating supply of such issues in the United States market as limited. For one thing, offerings from institutional investors across the border taking profits arising from the discount on the Canadian dollar in terms of the U. S. dollar are down to a dribble. Since holding of two-payment government bonds by Canadian investors now are at the lowest level in many years, the prospect naturally is that offerings from this source will not again reach anything like the proportions that they did at times during 1942."

Market Opinions

There is little change in the note of caution prevailing in stock market comment from New York this week.

Barron's N.Y. (The Trader)—Gilt-edged stocks, which normally feel the effect of an insistent demand generating a healthy rise, have been standing still for nearly two months. Old-line brokers, however, maintain that, because the buying of specialties and railroad stocks has been for cash and has involved an average rise in debit balances of barely 3%, the excited speculation of early March is entirely legitimate. But the quick drop in a few specialties and the spill in railroad stocks show that cash buying is no guarantee of a price level. The more realistic the market becomes in appraising earning power and yield, the more vulnerable is it likely to prove.

DOMINION OF CANADA
BONDS

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

AS A SERVICE TO OUR CLIENTS
WE HAVE INSTALLED A
WINNIPEG GRAIN EXCHANGE TICKER
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Montreal Curb Marke
Winnipeg Grain Exchange
OFFICES:
Toronto, Hamilton,
Timmins, Kirk.and Lake

The Week in Business

Major factors indicating physical volume of production in Canada have continued to show gains over a year ago. Mining, manufacturing, construction, electric power and distribution together recorded a gain of 18.2% in January this year compared with the same month in 1942. Wholesale prices were moderately higher, up 2.8% from the relatively high level of last year. Cost of living rose 1.5%. Preliminary estimates for February suggest that the production index will show a gain over January this year and a greater one over Feb. 1942.

National income is tentatively computed by the Dominion Bureau of Statistics for Jan., 1943, at $693 millions against $560 millions in the same month of 1942, a gain of 23.8%

Bank deposits declined sharply in February, according to The Post's index, and stood at 150.0 against 157.0 for January and 159.1 for Feb., 1942. In actual amount, bank deposits in January culminated a rise which started in 1934 by rising to a new high in January.

Bank debts in February were 28.3% greater than in the same month of 1942. A gain of 24.2% has been shown for the first two months this year.

Raw cotton consumption in February was 3.4% lower than a year ago. For the first two months of 1943 there has been a decline of 9.0%.

Cigarette consumption in February was 23.9% higher than a year earlier and for the first two months this year a gain of 20.3% has been achieved.

Life insurance sales in February were approximately $1 million greater this year than last. For the first two months this year the total of $80.8 millions is $1.6 million lower, or a decrease of 1.9%.

	Feb.	Jan.	Dec.	Nov.	Year Ago
Physical vol. of business, D.B.S.*	....	227.3	221.2	207.8	192.3
■National income, D.B.S. (c)	....	693	....	....	560
Dom. war expend. (million $)	199.6	185.0	218.9	209.6	132.5
Dom. total revenue (do.)	169.4	216.8	175.0	180.7	111.1
Dom. total expend. (do.)	228.1	233.2	360.4	335.5	163.2
Dept. store sales index no.	....	147.4	146.4	168.5	151.1
Retail sales index no.	....	155.2	156.4	161.7	150.8
Wholesale sales index no.	....	138.7	148.4	152.9	132.2
Country store (% change pr. yr.)	....	+7.9	+14.6	+15.0	+20.5
Divd. payment index♦	122.3	122.5	122.7	123.1	121.3
Bank deposits (1935-39=100)	150.0	157.0	....	....	159.1
Cash and cheque pay. index	....	155.3	166.0	197.8	125.3
Bank debits (1935-39=100)	....	148.3	142.1	164.0	122.8
Money supply (c)	....	4,344	4,347	4,280	3,603
NEWSPRINT % OF CAPACITY—					
Production ratio	....	63.1	66.0	70.6	84.3
Shipment ratio	....	58.1	65.8	71.7	78.9
RAILWAY FREIGHT LOADINGS—					
Tons	175.5	155.1	175.9	142.0	169.3
Cars	139.7	130.5	145.2	126.5	140.4
COST OF LIVING—					
D.B.S.	116.9	117.1	118.8	118.6	115.7
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	183.7	186.5	183.3	165.8
Manufacturing	....	219.6	221.7	218.6	187.1
Payrolls (June 1/41=100) (b)	....	132.0	144.3	140.8	112.3
Payroll index (a) (1937=100)	....	218	230	216	185

	1942-43	1941-42	Jan. 1 to date 1942-43	Jan. 1 to date 1941-42	% Change
RAILWAYS—					
■Carloadings (week Mar. 13)	60,944	62,795	645,797	670,047	—3.6
■C.P.R. gross (week Mar. 14)	$ 5,018,000	4,738,000	49,703,000	46,085,000	+7.8
■C.N.R. gross rev. .. (Feb.)	$ 30,329,000	24,950,000	59,607,000	50,917,000	+17.0
■C.N.R. net rev. .... (Feb.)	$ 5,122,610	3,644,440	9,595,324	8,801,552	+9.0
C.P.R. gross rev. .... (Jan.)	$ 18,927,920	18,660,272	....	....	+1.4
C.P.R. net rev. ...... (Jan.)	$ 2,240,655	3,184,062	....	....	—29.7
IRON AND STEEL—(January)—					
Pig iron production (tons)	116,327	163,156	......	......	+28.7
Steel production ... (tons)	207,008	259,016	......	......	—20.1
CONSTRUCTION—					
Contracts awarded (Feb.) .	$ 19,019,000	11,052,000	31,003,300	23,933,100	+29.5
Building permits .. (Jan.) ..	3,222,324	6,432,687	....	....	—49.9
Cement prod., bbls. (Dec.) ..	329,666	369,444	9,143,219	8,368,711	+9.2
AGRICULTURE—					
Flour prod., bbls. ... (Jan.)	1,963,042	1,555,850	......	......	+26.2
Cattle sales▲ .... (Feb.)	76,985	76,861	133,954	187,137	—28.4
Hog sales▲ .... (Feb.)	510,761	497,125	1,010,605	1,087,938	—7.1
SEA FISHERIES—‡					
Catch cwts. .... (Jan.)	447,600	771,200	....	....	—42.0
Landed value ...... (Jan.)	743,600	917,400	....	....	—18.9
NEWSPRINT—					
Production, tons ... (Jan.)	233,544	311,904	....	....	—25.1
Exports, tons ...... (Jan.)	199,580	274,296	....	....	—27.2
MINING AND OILS—					
Coal prod., tons .... (Jan.)	1,542,236	1,919,264	....	....	—19.6
Gold rec., fine oz. .. (Jan.)	360,755	442,038	....	....	—18.5
Petroleum prod., brl. (Dec.)	858,510	896,571	10,362,801	10,133,838	+2.2
ELECTRIC POWER OUTPUT—(January)—					
Total monthly, 1,000 kw.h.'s	3,217,788	3,226,289	....	....	—0.2
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. .... (Jan.)	2,612,258	2,463,947	....	....	+6.0
■Cotton consump., lb. (Feb.)	16,126,534	16,702,248	30,501,106	33,535,704	—9.0
■Cigarette cons. No.† (Feb.)	961,133	775,737	1,833,242	1,523,470	+20.3
FINANCE—					
■Bank debits† .... (Feb.)	$ 3,711,843	2,892,864	7,611,471	6,123,653	+24.2
■Bond sales† .... (Feb.)	$ 296,155	100,238	534,239	191,190	+179.6
■Life insurance sales (Feb.)	$ 40,420,000	39,357,000	80,840,000	82,438,000	—1.9

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. ▲Total at yards and plants. †000 omitted. ■Millions of dollars. ♦Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted. (a) Compiled by Canadian Bank of Commerce. (b) All industries.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	76.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
1943: Weekly Figures:												
Mar. 4	96.6	80.8	91.4	66.1	117.2	81.6	110.7	84.9	89.1	78.7	91.6	78.9
Mar. 11	96.3	76.7	90.1	65.1	118.3	80.7	112.4	83.9	87.0	80.0	90.4	78.1
Mar. 18	95.5	76.3	88.3	63.3	116.4	80.7	111.8	84.6	88.9	80.3	90.3	77.7

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 23	104.10	79.92	70.68	21.60
Mar. 22	103.83	78.86	70.58	21.62
Mar. 20	104.25	78.61	70.48	21.76
Mar. 19	104.38*	78.82	70.82	21.83
Mar. 18	104.34	78.60	70.98	22.00
Mar. 17	104.26	78.44	70.78	22.10
Month ago	104.41	78.58	69.33	22.72
Year ago	81.11	64.31	63.13	16.54
High 1943	105.46	81.72	71.23	23.91
Low 1943	98.88	70.64	63.57	18.14

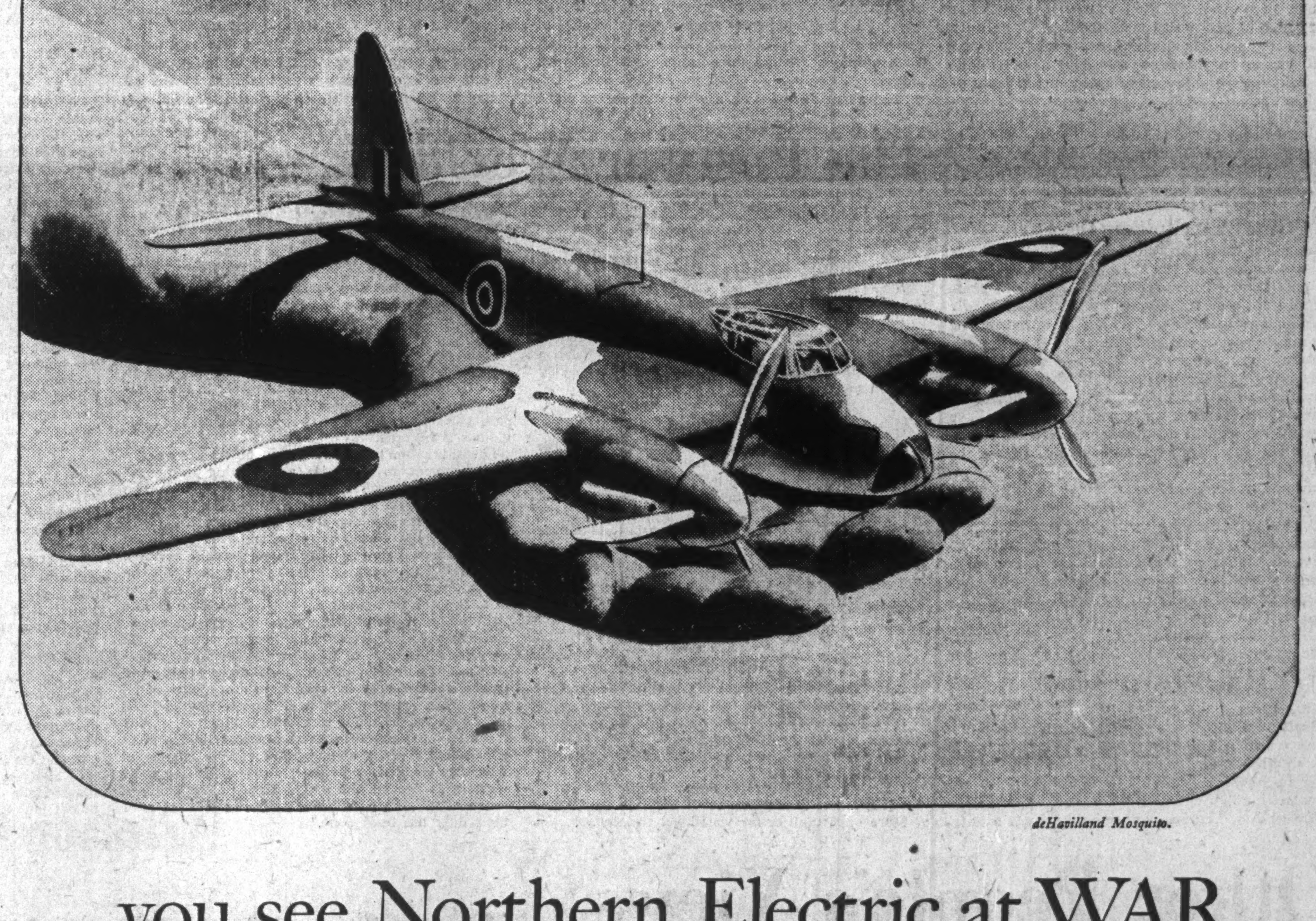
Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
Mar. 23	54.3	68.8	64.0	75.98	57.96
Mar. 22	54.2	68.7	63.9	77.95	57.70
Mar. 20	54.2	69.0	64.0	78.89	57.62
Mar. 19	54.3	69.1	64.1	79.64	57.62
Mar. 18	54.4	69.4	64.4	80.65	57.64
Mar. 17	54.3	69.5	64.4	80.88	58.17
Month ago	53.9	68.4	63.6	78.35	53.54
Year ago	41.5	56.1	51.2	65.47	39.90
High 1943	54.9	69.8	64.8	84.61	58.78
Low 1943	51.8	63.4	59.5	74.07	49.15

ALLAN MILLER

An American citizen, well-known in Toronto, has just given $100,000 to the R. A. F. Benevolent Fund to show his appreciation of the gallantry of British flyers. It is announced from England by shortwave that this gift has been presented by Mr. Allan Miller, a native of California who has been living in England for the past twelve years. Mr. Miller, who served with the Royal Flying Corps in the last war, is chairman of the board of directors of Rogers Majestic Limited and affiliated companies. He is a frequent visitor to Toronto and is expected back here early this summer.

Look at a Bomber~



deHavilland Mosquito.

you see Northern Electric at WAR

No, we don't build bombers ... our job is to give speech, sight and hearing to those argosies of victory—those D-for-Donalds, C-for-Charlies and their gallant crews who are making aerial history. And into this work go sensational developments in electronic equipment fashioned and perfected to guide our airmen (many of them our fellow workers) to *any* target ... through *any* weather ... and to bring them safely home again. The men and women of Northern Electric ... the hands that man the machines ... are working at high speed, accurately, in a full-time effort to produce the world's best equipment for the world's best fliers. Only when peace comes will the hands of Northern Electric return to their regular activity of manufacturing wires and cables, telephones, radio receivers for civilian use ... all the products of a national electrical service.

INFORMATION

"Our war production job is by no means confined to bombers alone. Vital equipment for all the Services —Navy, Army, Air Force—is our full-time schedule".

40-31-B

Northern Electric
AND ITS EMPLOYEES
IN WAR AND IN PEACE—A NATIONAL ELECTRICAL SERVICE

The Editorial Page . .

This Confusion Easily Solved

Unnecessary confusion results from lack of a uniform policy in treating the refundable portion of the excess profits tax in company statements. Annual reports now appearing covering 1942 operations treat this refundable tax in one of two ways.

Probably the majority of companies reporting to date regard the refundable portion of E.P.T. the same way as any other income tax. It is money they have to pay out and which is not available for immediate distribution as dividends.

Others regard the refundable portion as part of current profits and show their provision for income and excess profit taxes after deducting the estimated amount provided for the refundable portion of E.P.T.

It may not make a vital difference which method is adopted, so long as the way in which the item is treated is made clear and its nature explained. But a uniform policy should be adopted.

Treating the refundable tax as a part of net profits in one case may suggest that current dividends are well covered, whereas that may not be the case. On the other hand, companies which adopt the more conservative policy appear in a relatively unfavorable light.

This seems to be a matter in which the chartered accountants, through their national and provincial associations, should take the lead. Here is a piece of confusion for which there can be no sound defense, one for which the solution is simple.

Provincial Revenue Windfalls

Premier Stuart S. Garson made a noteworthy point in connection with the financial affairs of most Canadian provinces when he presented his budget to the Manitoba Legislature the other day. Mr. Garson said that his province's surpluses were based in substantial measure upon wartime revenue windfalls—non-permanent revenue in which declines would inevitably occur in the future.

While the Dominion government has been running huge deficits due to war expenditures the individual provinces have been piling up very respectable surpluses. It is true that what are usually the most flexible items of provincial finance have been frozen through agreement with the Dominion but it is also true that the Dominion in return has guaranteed that revenue at a high level.

Preoccupation with the war effort and transference of much provincial taxing power to the Dominion has materially diminished general public interest in provincial affairs. However, the provinces have a very large part to play in the country's welfare. Their financial administrators should keep prominently in mind that much of their current prosperity is temporary. Their duty is to seize upon this situation and exploit it to the full by using surplus funds to reduce indebtedness, not incur permanent expenditures on the basis of non-permanent revenue.

An allied duty is to see to it that all expenditures are held down to the absolute minimum. There is some reason to question whether this objective has been pursued as vigorously as it might have been if revenues had not been so favorable.

Give Shareholders the Facts

Too many Canadian companies are holding back tax information which shareholders have every right to know. There are exceptions where companies have been frank and provided all that their shareholders could hope for, but these exceptions are not numerous enough.

Taxes—and particularly excess profits taxes—are probably the most important single factor in investment analysis today. They determine how much of its earnings a company can retain, have already resulted in a number of dividend reductions and may mean more reductions before the end of 1943.

Income taxes paid are facts to which shareholders are entitled. The Dominion Companies Act clearly recognizes this.

Leading the way in this matter and fully discharging duties to shareholders are a few companies which have stated in 1942 reports that the ceiling imposed on profits by E.P.T. means that the company cannot earn more than a stated amount in 1943. When this information is given, shareholders know specifically where they stand and can reasonably appraise such matters as likelihood of continued dividend payments at prevailing rates, etc.

Unfortunately, many companies which have not been frank in this regard are the larger units in which investment interest is greatest and where this information would be of assistance to the greatest number of investors.

Every Canadian company should include a statement of its probable earnings position, as affected by E.P.T., for 1943. In some cases there may be a delay in getting actual final figures where a decision has yet to be given by E.P.T. referees, but this need not prevent a company making a frank estimate of probabilities. Shareholders have a right to know how determination of standard profits and imposition of a 100% E.P.T. places a ceiling on earnings. In instances where this information has been given it has indicated that 1943 is likely to bring an important reduction in net profits. This is something to which shareholders are entitled and which will go a long way toward permitting a reasonable appraisal of investment prospects for the current year.

Note for Sceptics on Gold

Enemies of, and scoffers at gold should take careful note of the postwar plans reportedly now being made in discussions between United Nations representatives.

Reports are that spokesmen for Britain and the United States have drawn up a draft agreement calling for establishment of an international exchange clearing authority which will keep accounts in terms of a new monetary unit, based on gold and to be called the Bancor.

Quite apart from arguments in favor of gold as the measuring stick of value is this inescapable and very practical fact: The big three United Nations powers all have a very important stake in gold — The British Empire and Russia are the world's great gold producers; the United States is the world's great gold holder.

No matter what some people may say against gold, any government, less than completely mad, is certainly not going to add to its fiscal problems by taking action that would render gold a less desirable property. A proposal, such as that now reported, should end nonsense talking about the product of an important Canadian industry.

Must Explain Layoffs

Much still remains to be done in explaining layoffs and other restrictions in war industry. Such moves are being seized by agitators to further labor unrest in important war plants. Actually, of course, some of our plants are now catching up with work on hand and pending new war orders and during switch over to new lines some easing off in production is inevitable.

At an important meeting recently The Financial Post heard a war worker tell the gathering that his company had cut working hours from ten daily to nine, "supposedly" due to cancellation of war orders. This speaker interpreted that move as one of intimidation against the workers, saying that it appeared some employers were more interested in defeating the workers than in defeating Hitler. Such opinions are not uncommon in labor circles today.

The absurdity of such a viewpoint in the light of the facts is very obvious. That, however, does not remove the fact that it is a viewpoint that is being widely expressed and that is being used to create dissention between worker and employer.

Some weeks ago The Post noted that unexplained layoffs were confusing the public and hurting the nation's morale. This is a situation that should not be allowed to drag any further. The remedy is simple—a prompt, clear, official explanation in each case.

Benefits in Co-operation

The St. Catharines experiment in which business firms co-operated on a pool delivery system, as reported in The Financial Post last week, is a significant illustration of the fine results that can be produced by intelligent co-operation.

The pool delivery trial has been an outstanding success in that it showed that pooled deliveries could bring startling savings in time, manpower, gasoline and tires. There was no magic involved—only the fact that the St. Catharines merchants pulled together for their own benefit.

The fact that such a system works out to their own benefit as well as to that of the war effort should be the most powerful incentive for retailers elsewhere to take up the challenge of St. Catharines and work out their own pooled delivery schemes. Each town and city will have its own particular problems. They will best be solved by the men on the spot, those who have to deal with them daily. It has been proved that co-operation can solve those problems and that it pays off in handsome dividends.

Violates Pay-as-we-earn

The proposal of the Montreal Board of Trade that the June 30 payments and credits for the balance of 1941 taxes be adjusted has considerable merit. The proposal would mean that no one would be worse or better off than they would have been under the system in effect prior to the budget.

That the June 30 levy is in effect a capital levy and a violation of pay-as-you-earn principles has been pointed out by The Financial Post from the first. Most valid excuse for the levy, and one that has not gained full recognition in the budget speech or after, is that many of those who had been paying on a quarterly basis, estimating their 1942 incomes, did so on a more conservative basis than wage and salary earners who had no option in the matter.

How valid this reason is cannot be ascertained at present, not even by income tax officials, but there was obviously a loophole in the estimated basis of tax payments that had to be plugged. Whether a capital levy was the best means of plugging the leak is still highly questionable.

Cartoon by Grassick

A VICTORY WORTH FIGHTING AND WORKING FOR.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Mr. Churchill Suggests a Pattern

Incorporated in Winston Churchill's speech last Sunday was the outline of a pattern for the postwar world. In view of the vital importance of this subject and to permit further study of the significant implications involved, below The Financial Post publishes a digest of the salient points and suggestions made by the British Prime Minister.

* * *

INTERNATIONAL

Immediate and permanent disarmament of the "guilty states" and return of stolen property.

World organization of United Nations headed by the British Commonwealth, the United States and Soviet Russia.

Council of Europe and Council of Asia to take over and expand the work of League of Nations.

Small states to be grouped into confederations under some sort of federal control.

Rebuilding of foreign trade by "international arrangements and agreements more neighborlike and more sensible than before."

* * * *

DOMESTIC

A series of four-year plans for rehabilitation and reorganization of Britain.

Amalgamation and extension of present social insurance plans to embrace all classes.

Compulsory work for all able to work.

Greater production of food.

State encouragement for larger families.

Equal access to education.

More opportunities for vocational training.

Nationwide housing programme to restore and improve devastated areas.

* * * *

GOVERNMENT CONTROL

Stabilized prices guaranteed "to the utmost of our ability" for a 10- to 15-year period after the war to protect the seven to eight billion "people in the country with £200 or £300 apiece." . . . "These savings of the nation arising from the thrift, skill or devotion of individuals are sacred."

Lower taxation but "heavier than before the war."

Government to "exercise a balancing influence" upon postwar general development "which can be turned on and off as circumstances require," with the objective of maintaining steady employment.

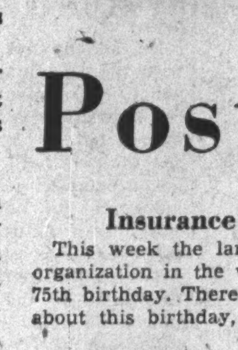
Develop both state enterprise and free enterprise side by side. "If we can make state enterprise and free enterprise both serve national interests and pull the nation's wagon side by side, then there is no need for us to run into that horrible, devastating slump or into that squalid epoch of bickering and confusion which mocked and squandered the hard-won victory which we gained a quarter of a century ago.

"There is a broadening field for state ownership and enterprise especially in relation to monopolies of all kinds. The modern state will increasingly concern itself with the economic well-being of the nation, but it is all the more vital to revive at the earliest moment widespread, healthy and vigorous enterprise without which we shall never be able to provide in the years when it is needed, the employment of our soldiers, sailors, and airmen to which they are entitled after their duty has been done."

Post-Scripts . . . .

Insurance Dynamo

This week the largest life insurance organization in the world celebrates its 75th birthday. There isn't much fanfare about this birthday, yet even in these days of gargantuan statistics, it is breath-taking to remember that here is a non-government organization which in 75 years amassed a business in force of almost $27 billions.



MR. McDONALD

In Canada, this organization has almost $1.5 billions of life insurance in force—about 18% of the national total. The number of policies held in Canada is about 2,800,000. Last year it collected nearly $43 millions in Canada in premium income.

For the 3,100 members of the Metropolitan Life organization in Canada, it is a safe bet that the 75th anniversary of their company's birth means something very real because for the past two years, a man named Ed. McDonald has been vice-president in charge of the Canadian head office at Ottawa.

Ed. McDonald, (45,) is one of the easiest to get at big executives in Canada. He answers his own telephone and his office door is always open. Much of the time since he came to Canada has been spent out in the field getting to know personally the 1,500 agents and representatives of the company scattered in some 90 branches and offices throughout the Dominion. In his first year in Canada he visited over 50 of these offices. Last year he pushed the tally to 60.

There is nothing high-hat about these meetings. They start not later than 8.30 so as not to interfere with the productive hours of the day. They are run by the men themselves with no punches pulled. That's how Manager McDonald finds out what the men who actually "sell our product" are thinking about the company and about their business problems. He knows many of his agents by their first names; prides himself on writing letters of congratulations in long-hand usually in the evenings or at the week end when the day's work is done.

Mr. McDonald was born in Colombus, Ohio in 1897. His Scotch grandfather had settled there some years earlier to join other McDonalds who had emigrated previously. His dad established a hardware business there. The most important years of Ed. McDonald's school life were spent at Culver Military Academy in Indiana. He expressed his fondness for mathematics by joining the artillery at Culver, specializing in firing problems. After graduation he spent two years at Ohio State University where he was studying in 1917 when the U. S. entered the First Great War. At the outset an opportunity was given 10 selected graduates of Culver to proceed at once to permanent commissions in the U. S. Marine Corps. One selected for this honor was McDonald. He gave up his university course to take up what he thought was to be a permanent career in this branch of the service.

His father-in-law (who was in the life insurance business) persuaded him to leave the marines at the end of the Great War and specialize in another kind of mathematics — actuarial science. He became actuary and later treasurer of the Life Insurance Service Bureau of Chicago, an organization operating a consulting and actuarial service for 26 life companies in the Middle West. But McDonald sensed that the financial rewards of an actuarial career were not very great, so switched to the sales field. He took over an agency with National Life of Chicago. He later became company supervisor of agencies, then left to organize and manage a group insurance department for the Inter-Southern Life of Louisville, Kentucky.

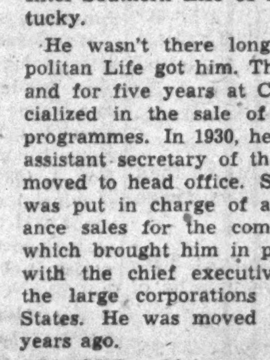
He wasn't there long before Metropolitan Life got him. That was in 1925, and for five years at Chicago, he specialized in the sale of group pension programmes. In 1930, he was named an assistant secretary of the company and moved to head office. Subsequently he was put in charge of all group insurance sales for the company — a job which brought him in personal contact with the chief executives of most of the large corporations in the United States. He was moved to Canada two years ago.

Mr. McDonald is an aviation enthusiast; has had extensive experience as a pilot and has flown over 200,000 miles in the course of his business travels. He has taken a very active and important part in the corporation and institutional sales of Victory Bonds.

* * *

Colonel With a Callus

Lt.-Col. Frank X. (for Xavier) Jennings still has a callus on the second finger of his right hand. He got it writing running copy, with pencil, on the three trials of a certain Mr. Paris who was the central figure in New Brunswick's most celebrated murder case. He got it reporting stormy sessions of the New Brunswick Legislature. He got it scribbling notes on the more profound statements of the great and near-great who passed through the old grey seaport of Saint John. He got it in the years when he was New Brunswick's best known newspaper reporter. Those were the years before he became New Brunswick's best known newspaper editor.



LT.-COL. JENNINGS

Col. Jennings got his first newspaper job in 1913 when he was a rawboned kid fresh out of school. He showed such a flair for bringing in odd little items, most of them with a humorous slant, that in no time at all he had been made a columnist. His column was called "The Man on the Street," was filled with amusing anecdotes about local people and happenings. He wrote it until 1914; dropped it to enlist as a gunner in the 23rd Battery, Canadian Field Artillery.

As a lowly gunner, he used to wish he still had his column, so he could write scathing pieces about various sergeants, but by 1915 he had become a sergeant himself so he stopped wishing. After service in Belgium and France with the 21st Howitzer Battery, commanded by Major A. G. L. McNaughton, he received his commission and was appointed orderly officer of the 6th Field Artillery Brigade. Frank Jennings was with the army of occupation in Germany when somebody decided the history of Canadian Corps operations during the Great War should be preserved for posterity. As a journalist, he was recalled to London to help with the compilation.

Then back to Canada, back to writing his column. He advanced rapidly, became managing editor of The Evening Times-Globe and The Telegraph-Journal, sister newspapers published by the New Brunswick Publishing Co. Ten years ago he became editor-in-chief of these newspapers.

Friendly, amiable, witty, and a master, when he wants to be, of the sharp quip and the cutting phrase, Frank Jennings the editor plugged hard for his own province and for the maritimes, fought for the correction of what he considered economic injustices. The able battle he carried on brought him recognition which extended far outside his own province.

He aligned himself with no political party. Liberals and Conservatives alike sought his advice, knowing how close he was to the trend of thought in the maritimes.

When the present war broke out, Frank Jennings again left his desk for the Army, became quartermaster of the 14th Field Ambulance. Ottawa seconded him from that position to take on the important task of publicizing the Canadian Army. Newspapermen who know him best say that his success at this is a foregone conclusion.

Col. Jennings is past president of the Saint John branch, Canadian Legion, and past president of the Saint John Rotary Club. He plays a good game of bridge but prefers—of all things—Chinese checkers.

* * *

Professor, Pupil Act

Dr. Leonard C. Marsh, who has suddenly leapt into the national limelight as the Canadian counterpart of Sir William Beveridge through his production of an elaborate report upon social security and a practical programme for achieving it was born in England 37 years ago and has been an adopted citizen of Canada since 1930.

In his boyhood he had to struggle hard to secure a good education, but his path to its completion by a first class academic training was eased when at the age of 20 he won a scholarship which enabled him to attend the London School of Economics.

A staff of able teachers, which included such brilliant intellects as Sydney Webb, Graham Wallas and Harold Laski, had brought the school international fame as one of the best institutions of its kind in the world and young Marsh eagerly availed himself of its opportunities.

His abilities and industry enabled him to graduate in 1928 with first-class honors. Sir William Beveridge who, as director, was then the guiding spirit of the school, appraised him as one of the ablest graduates of his year and took a fatherly interest in his fortunes, providing him with teaching employment for some time.

Then in 1930, when Sir William was consulted by the authorities of McGill University about a suitable appointee as lecturer in economics and director of social research, he promptly recommended his young protegé, Mr. Marsh, and gave him such a strong testimonial that he was immediately appointed.

So Marsh found himself in Canada working as an associate with Professor Stephen Leacock, then reigning head of the Department of Economics at McGill. Marsh spent his spare time in intensive studies of Canada's economic, industrial and social problems, travelling freely throughout the country to collect information and data during his vacations. During the worst years of the depression he made a special study of our baffling unemployment problem and suggested some remedies for it.

Since 1941 Dr. Marsh has been installed at Ottawa in a small office in one of the new temporary buildings. He busied himself in variety of investigations until last fall when, after word that release of the Beveridge report was pending, Marsh was instructed to perform a similar service for Canada—and rush it. Now Dr. Marsh, can rest upon his oars and see what the politicians do with his report.

Dr. Marsh is tall, slender, no cloistered recluse, and has a Canadian wife. Both for him and for Beveridge, there must be deep satisfaction in the parallelism of their fame.

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Other People's Views . . . .

The Canadian Editorial of the Week

Churchill on Free Enterprise

The Gazette, Montreal

Winston Churchill had cold comfort for those who look forward to conversion of state-directed war economy into a peacetime bureaucracy. It was cold comfort, not because Socialists ever expected aid from Churchill, their life-long enemy, but because the Prime Minister's talk was such plain, homely sense. It was the sort of talk the ordinary citizen understands and trusts.

"We do not," said Churchill, "intend to shape our plans or levy taxation in a way which by removing personal incentive would destroy initiative and enterprise." Britons were the very fathers of human freedom, and would sell it for no mess of pottage, however honeyed. Their war leader looks forward to a future in which the individual, not the state, will be the backbone of the national economy.

But this does not mean a return to the status quo ante. "Private enterprise and state enterprise must both be able to play their parts to the utmost. A number of projects are being and will be prepared which will enable the Government to exercise a balancing influence on development, which can be turned on or off as circumstances require. There is a broadening field for state ownership and enterprise especially in relation to monopolies of all kinds."

All of which sounds very like John Bracken's principle that the state should "underwrite" a free-enterprise economy. That is progressive conservatism, whether spelled with capital or small letters.

* * *

What the Papers Are Saying . . .

Why Col. Thompson Resigned

The Ottawa Journal

Perhaps the Minister of National War Services, General LaFleche will quote Col. Thompson's letter in Parliament in an attempt to prove that he gave the Economy Controller full support in the Controller's efforts to eliminate extravagance and waste in government offices. It is necessary to mention but one instance to show that in fact General LaFleche did not give Col. Thompson that support.

Col. Thompson heard that the Department of Public Works was buying some $500 rugs for Government offices, and as he had not been consulted—as he should have been—he wrote Mr. Fournier, the Minister of Public Works, asking for a list of the new rugs, with prices and locations. Some days later he had a letter, not from Mr. Fournier but from his own chief, General LaFleche, asking "why" he wanted to know about those rugs. Exactly what course the incident then took we are not told, but the Thompson plan "for redistribution and economy in that field did not materialize."

One does not need much imagination, however, to trace the course of events. No doubt Mr. Fournier complained to General LaFleche, probably said in effect that he wouldn't have this Thompson fellow butting in on Department of Works affairs, and the General, for the sake of amity, threw his support to his Cabinet colleague, made it quite impossible in the future for Col. Thompson to do any effective work with officials of Mr. Fournier's department. And this incident, perhaps one of many of the kind, must explain why Col. Thompson told The Journal he was "tired of being a rubber stamp," that he "refused to continue as windowdressing."

* * *

As Others See Us . . .

A Disgraceful Business

Nova Scotia Daily News, Truro, N.S.

We are honored to find ourselves side by side with the influential Financial Post of Toronto campaigning for a reasonable efficiency in the income tax department of the Government.

Constructive criticism is offered by The Post particularly of the complicated income tax forms compiled by exacting arithmeticians in the service, which are so involved that even astute business men of experience get a chartered accountant or their banker to struggle with them.

Only recently income tax returns for the year 1939 were being checked. Individuals who may have had an error in them are being mulcted for payment of interest—solely because of the department's slackness in business methods, allowing work to run three or four years behind time.

It must require four or five times a normal staff to check these involved forms almost beyond the understanding of ordinary accountants and certainly a poser for the every day individual who is expected to fill them out accurately.

* * *

Why Did Col. Thompson Go?

The Gazette, Montreal.

The Financial Post, referring to the House discussions, singles out a statement by Hon. T. A. Crerar that "if we are going to investigate every rumor that appears in the newspapers, this House would be busy doing nothing else," an opinion "supported by the Prime Minister and several other members of the Government." But, says The Post, "there will be no support from the general public. Conscientious readers of Hansard, who are often forced to wade through page after page of utter drivel, will agree that Parliament might do a great deal worse than take on the very job which Mr. Crerar derides."

This we endorse. Colonel Thompson's resignation sets up a question mark and calls for a very much more satisfying definition of Government policy in the matter of departmental economy than any that has yet been given or attempted.

* * *

Sayings of the Week

"No more important duty rests upon this House than careful scrutiny of all expenditures."—*J. G. Diefenbaker in the House of Commons.*

* * *

"I do not suggest that we place all our eggs in the international basket, but we should definitely place some of our eggs in continuing the United Nations. They might at least hatch something better than recurring wars."—*Gov. Harold E. Stassen, of Minn., potential Republican candidate for the U. S. presidency.*

* * * *

Stop Me If . . .

Mrs. White—"Mrs. Gray's husband didn't leave her much when he died, did he?"

Mrs. Black—"No, but he left her often while he was alive."

Winning the Peace

British Columbia Charts Postwar Course

First Provincial Blueprint Marked by Detailed Study of Specific Tasks

By GORDON L. SMITH

British Columbia has taken stock of its resources, human and economic, in preparation for the day when the war ends and the gigantic task of conversion to peace begins. The Provincial Postwar Rehabilitation Council has just presented the public with a 600-page interim report, crammed with facts, questions, suggestions and definite recommendations.

Its authors point out that this is no finished blueprint, that much will depend upon how long the war lasts, what sort of peace will follow and where Canada fits into the general picture. What they have attempted is more in the nature of a working plan, a foundation for a concrete postwar chart leading to fullest possible employment.

The report is the first of its kind published in Canada and may therefore serve as an example to other provinces. Indeed, because of the unusual and peculiar problems of the Pacific coast province, with its main dependence on four basic industries, its predominant export trade and the violent upset to its secondary industry occasioned by the war, public interest outside of British Columbia will be more concerned with the general objective and the procedure of the council responsible for the report than in many of the actual recommendations.

Year's Work

Just a little over a year ago, the British Columbia Legislature passed an act designed to "make provision for advance planning of rehabilitation measures, industrial reorganization, and employment projects designed to meet postwar conditions." The immediate result was the setting up of the Postwar Rehabilitation Council headed by Hon. H. G. T. Perry, provincial education minister, and with nine other members of the legislature, representing all political groups. That council was told to go ahead and explore every avenue for postwar employment with particular attention to placing returned members of the armed forces, and war workers, in permanent positions. It was asked to formulate plans for training returned men and war workers for peacetime employment, to investigate conversion of war plants to peace, to explore plans for new industries, for the development and conservation of natural resources.

In the investigation, it was instructed specifically to co-operate with the Dominion Government, municipal councils and various organizations and private institutions throughout B. C.

Co-operation

For almost a year members of the council travelled about the province, conferred with thousands of people and deputations, asked questions, and received briefs. In addition the chairman frequently consulted Ottawa and was also in touch with postwar authorities in the United States. The objective was not just a postwar plan for British Columbia, but something which could be dovetailed into any national or international scheme to go into operation after the war.

Detailed Survey

The result is a most detailed potential employment survey of British Columbia. Where practical, definite estimates are made of the total number of persons that might be given jobs and at what cost under certain conditions.

For example, co-ordination of park development and present reforestation commitments, it is stated, would give 550 men full-year-round employment instead of just two or three months as at present. Again, if British Columbia embarks on any large scale reforestation project after the war, and the council strongly recommends such development, it is estimated that for each unit of 10 million trees (sufficient to reforest 10 to 15 square miles) to be planted annually, the following manpower would be needed:

1. 12 men full time in the nurseries.
2. 50 men full time for planting sites.
3. 550 men for two to 2½ months of planting and extra work in nurseries during March and April.

Average annual cost for each unit, $150,000.

Seek Employment

In the main, however, such detail is not possible, because, as the council points out, much of the potential postwar work explored is dependent on factors outside provincial control. Much hinges on Ottawa action and co-operation, in the way of grants, tariffs, new control, legislation, etc., and much again on what sort of foreign trade will flourish in the postwar world.

Then there is the uncertain development of key industries. If, for example, a steel industry could be secured by British Columbia or a huge new electrical power development, then, it is stated, there might follow a whole flow of secondary industries, eventual employment in which would be impossible to estimate in advance.

Also complicating the picture, it is pointed out, will be development or expansion in new lines. The report anticipates very considerable development in the plastic field but states that British Columbia's participation will depend upon which particular base proves the most popular for plastics after the war. If that base is derived from wood pulp, naturally the coast province would benefit greatly; if coal, tar or petroleum is used, however, then it might not benefit very much.

On the whole the general policy of the council was to explore every likely field of immediate or almost immediate employment and make specific recommendations to the provincial authorities where such would be practical, or to point out the outside controlling factors or other problems involved.

Peculiar Economic Position

The report stresses the unusual employment problem faced by British Columbia due to its peculiar economic position. Normally the province is a big exporter of raw or semi-finished raw material and depends very largely on eastern Canada for manufactured products. It has no great agricultural basic industry comparable to that, say, of Ontario or Quebec. These conditions make it most vulnerable to outside influences over which, of course, it has little control.

Adding to that vulnerability, has been recent war development, the report stresses, and the longer the war goes on the greater the postwar solution problem. In the last few years there has been a huge expansion in the shipbuilding and aircraft building industries, which are largely concentrated in the Vancouver and Victoria areas. During this same period most exports and especially timber, minerals and fish have been largely diverted to special and controlled war markets.

Trade Difficulties

Authors of the report foresee great difficulties arising after the war. If ship and aircraft building, for instance, stop abruptly with the peace, then there will be a headache for the two municipalities in which these industries are concentrated, besides a provincial unemployment problem. War exports of lumber, minerals and fish, it is pointed out, are almost certain to face most serious adjustments and probably new competition after the war.

Want More Decentralized Industry

With these points in mind, members of the council showed particular interest in new industries, and especially those which might be scattered through the province rather than concentrated in one or two cities. They recommend that the provincial authorities explore every possibility in this connection and that they should be prepared to subsidize or help in other ways during the initial stages of development.

Major Projects

In major undertakings the council recommended the establishment of a steel industry for B. C., the production of light metals, aluminum and magnesium — hinted as a postwar project for Consolidated Smelters in last week's Financial Post—extension of the Pacific and Great Eastern Railways from Quesnel to at least the Canadian National's Prince Rupert line, and a highway building programme. In getting these projects under way, the Provincial Government is urged to get in close contact with Ottawa, and with private industries, trade organizations, etc.

Seek Small Industry Too

But the report also stresses the importance of small industries and the establishment of scattered plants which would make cheese, cure fish, process food, manufacture linen from B. C. grown flax, would utilize more of the lumber products now going to waste, etc. Only through more industry, preferably decentralized and tied definitely to British Columbia conditions, can real stability for the coast province be secured, argues the council. In this connection expansion of such typical British Columbia industries as bulb and seed growing and berry production, is urged. In the appendix to the report, briefs are summarized from hundreds of boards of trade and other interested bodies presenting various opportunities in this line.

Forest Industries

In lumbering, the main industry of British Columbia, the council strongly urges a more practical and aggressive conservation policy with three objects in view.

1. To provide useful and immediate employment.
2. To rebuild forest reserves.
3. To protect against floods, erosions and similar dangers.

It is pointed out, however, that if such a policy is to be effective for immediate postwar employment, then nurseries must be expanded at once in order that a sufficient supply of two-year-old trees be made available for planting.

The report points out that in recent years a start has been made, via plywoods, plastics, etc., in utilization of former lumber waste such as sawdust, trimming and so-called inferior trees. This trend is strongly supported.

The training of more forestry experts and establishment of more forest control, especially in the northern districts, is urged.

Tourist Trade

For reasons of economy and to encourage year round employment more co-ordination of forestry and park services is urged. The province is urged to co-operate with the federal authorities in drawing up some long-term programme of highway building with the triple purpose of opening up more mineral, forest and power areas and also for encouraging the great boom in tourist traffic which is expected after the war.

Urge Aerial Survey

As a boon to mineral exploration and to aid in greater utilization of the province's natural resources generally an aerial survey of the whole province is urged. It is pointed out that "at the end of the war there will be a vast amount of equipment including planes and aerial photographic material available for this work. There will also be a great number of men trained in the use of the equipment."

"All of Canada," it is stated, "should be photographed from the air with the definite purpose of using the photographs in connection with ground surveys for the compilation of topographic maps. There will be many trained observers who in the postwar period could be rapidly trained as surveyors to make the necessary ground surveys. There will be available also many draughtsmen and men trained in mapping who can and should be employed in preparing the topographic maps. As topographic mapping proceeds, it should be followed immediately by geological surveys conducted by the federal and provincial governments."

Mineral Development

Authors of this report point out that in recent years and particularly since the war prospecting has not kept pace with actual mineral development. As a result, known potential mineral reserves are running short and especially so since the output of base metals for war purposes has been speeded up.

To remedy this situation and to provide interesting and helpful employment for men after the war, the report urges the training of prospectors, grub-staking them, and the opening up of inaccessible country by the cutting of trails and extension of roads.

"British Columbians," it is warned, "are exhausting at an abnormal rate our known ores of lead, zinc, and copper."

Agriculture

The report urges most serious consideration given to the development of agriculture because of its long-term stability advantages. It points out, however, that as farming and ranching land in the province is limited to about 10% of the total area and is scattered throughout widely separated valleys, the greatest care will be needed in such developments. Expansion is urged of typical and special agricultural lines suitable to the B. C. climate and market such as production of flower bulbs, seeds, herbs, and flax. The council does not favor, however, establishment of a sugar beet industry.

Flax But Not Sugar Beets

Arguments advanced in connection with flax and sugar beets, show the practical nature of the investigation, leading up to the report. A linen industry is advocated because it has been demonstrated that flax will grow well in certain parts of British Columbia and there should be a profitable local market because of the special tie-up with the fishing industry, which uses large quantities of linen nets and other gear. The sugar beet proposal, on the other hand is turned down because of the necessity for cheap labor and higher tariffs or subsidies.

Veteran Settlement

Regarding the settlement of returned veterans on farms, it is urged that these men be placed on prepared holdings, not just dumped in the bush where they might become discouraged with the arduous work of settlement before they had a chance to demonstrate their ability as farmers. It is advocated that roads be laid out, farms cleared to the extent of at least 40 acres, fenced and made ready for crops, and that suitable buildings be erected; all this before the veteran would move in. In other words, the ex-serviceman would be provided with a going concern.

Presumably this work of preparation would give experience, training and employment in the immediate postwar years and would be undertaken under the auspices of and backed by the federal authorities.

Fishing Industry

Greater research aimed at conservation and development of the fishing industry is urged and also more care in the erection of dams and other works which might interfere with the natural water flow. In the latter connection, too, the report advocates reforestation to protect streams where commercial and sport fish are or should be.

The council reports that B. C. public opinion generally opposes a return of Japanese in the fishing business, although the dominance of this race in that industry before the evacuation, it is stated, was not nearly as great as is believed in many quarters.

Veterans and War Workers

A great deal of investigation was made into the problem of re-establishing returned veterans and war workers. Already, with the end of the war still not in sight, it is estimated that the problem involves over 100,000 persons for British Columbia alone. Vocational training, for fitting both these classes into peacetime positions, is strongly advocated.

It is also suggested that demobilization be gradual and that the greatest possible effort be made by all interests, public and private, to find uses in the postwar era for the new war industries.

It is suggested that no member of the armed forces or war workers should be turned loose in the postwar world without some training that will fit him for a peacetime job.

In this connection, it points out, that many veterans and war workers will have acquired such special training while serving or working in war factories and this training could and should be put to good account. On the other hand, members of the council report, there will be a great many persons who interrupted high school or university to serve or work during the war and these should have an opportunity to complete their education.

Although this review concentrates largely on the province's main industries, it should not be concluded that the report deals with them only. Every industry and feature is covered including housing, general education, finance and transportation.

Conversion from war to peace will find one Canadian province prepared. British Columbia has just completed a survey of its postwar opportunities. In a preliminary report, reviewed in the accompanying article, a special committee of the provincial legislature explores conservation and development of natural resources, opportunities for new industries, land settlement, tourist trade — in short anything that will create useful employment after the war.

The Personnel Behind Report

Heading British Columbia's Post-War Rehabilitation Council, author of the interim report reviewed in the adjoining columns, is Minister of Education Hon. Harry G. T. Perry. A long time provincial liberal of independent leanings, Mr. Perry has been a prominent businessman of Prince George, on the Canadian National's Prince Rupert line, almost since his arrival from England over 31 years ago. Other members of the Post-War Council are:

Harold Winch, youthful leader of C.C.F. party in legislature. Formerly edited a socialist newspaper in Vancouver, and has been leader in socialist organizations since 1933.

Grant McNeil, member for Vancouver-Burrard, C. C. F. Ontario-born. Former treasurer Great War Veterans Association of Canada. He served term in House of Commons in 1935, was defeated in 1940, and elected to legislature 1941.

E. T. Kenney, Nova Scotia born, U. E. L. stock. Real estate man elected to legislature in 1933.

W. T. Straith, K.C., Victoria Liberal first elected in 1937.

W. A. C. Bennett, New Brunswicker. Owns Vernon hardware store. Represents South Okanagan in legislature, is a Conservative.

J. A. Paton, Conservative, Vancouver. Journalist, former reeve of Point Grey, town planning council member.

Mrs. Nancy Hodges, Victoria newspaperwoman. Liberal.

Mrs. Tillie Rolston, Vancouver housewife, member of legislature, formerly with Vancouver School Board.

Mrs. Dorothy Steeves, C.C.F., Dutch-born. Met husband while prisoner of war interned in Holland. Became leader in socialist movement, in Vancouver.

Urban Traffic Skyrockets

With increased employment and a reduction in the use of private automobiles because of gasoline and tire restrictions, public transport facilities are handling roughly twice the peacetime traffic with little, if any, additional equipment.

Figures for late 1942, in comparison with the same period of 1939, show an increase in public transit traffic in Halifax of 200%. Other cities with large increases are Saint John, 80%; Quebec, 90%; Montreal, 65%; Ottawa, 100%; Toronto, 63%; Hamilton, 85%; Winnipeg, 71%; Regina, 50%; Edmonton, 53%; Calgary, 73%; Vancouver, 60%; and Victoria, 85%. Inter-urban lines have reported increases as high as 190%.

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Wartime Industrial Transit Plans
Keep Men on the Job—Make Workers Satisfied

● Every half-empty car that pulls into the parking lot of your plant means waste of gas, tires, parking space and man power. The Wartime Industrial Transit Plan, now operating under the supervision of the Department of Munitions and Supply Transit Control, will reduce materially unnecessary consumption of gasoline and oil and decrease materially absence from work.

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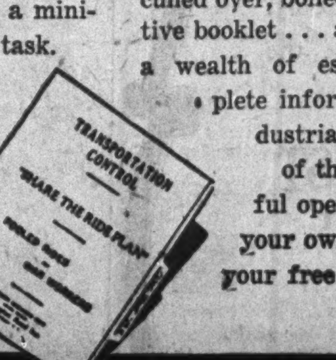

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The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

Income Tax

Dependent Son's Refund

Last year my son who is at college, and dependent on me, earned $300. He had taxes deducted from the amount earned.

1. Is he entitled to a refund?

2. If he applies for a refund and gets it will it change my right to claim a deduction from income tax on his account as a dependent child?

1. Yes your son would be entitled to a refund.

2. Such refund would not impair your right to a deduction from normal and graduated tax because your son's earnings were not over $400 in the year.

Soldier's Wife

What is the position for income tax of a female employee who earns $1,000 and marries a soldier earning $1.50 a day?

She is classed as a single person for income tax purposes, it is understood, because she is getting more than $660 a year. But she can claim credit for any of her husband's life insurance premiums she pays provided they were in force prior to June 23, 1942.

1942 Tax Arrears

How much tax on my 1942 income will I be expected to pay to clear away my income tax liability for 1942 under the new regulations? I derive my income from professional fees and made a tax payment Oct. 15 and one on Jan. 15. When must I settle up the balance?

If you estimated your 1942 income at all correctly, your two payments made Oct. 15 and Jan. 15 will almost clear up your tax liability of half the total 1942 tax. You can compute any balance that may still be outstanding by calculating your total tax, dividing it in two and deducting the total of the two payments already made. The balance, if any, is due one third by June 30 and and the balance before Dec. 31.

Business in War

Liaison Officers

How many W.P.T.B. consumer branch liaison officers are there in Canada?

There are more than 7,000 voluntary liaison officers, elected by women's organizations, who make regular reports on the complaints, opinions and difficulties of women they represent.

Milk Prices

Before the price of milk was reduced by W.P.T.B. one particular dairy sold milk in a factory for five cents a half pint. Can it still charge five cents a half pint?

Yes, the order which reduced the price of milk did not apply to that sold in half pint containers, the price of which is unchanged.

Stocks

Saskatchewan

Would you give me some idea of the postwar possibilities of Saskatchewan provincial bonds?

The position of Saskatchewan provincial bonds would seem to be well secured at least for the duration of the Dominion-Provincial tax agreement which virtually amounts to a guarantee of the province's debt service. On the termination of this agreement, however, certain other aspects of the province's debt situation will have to be considered.

So far as the postwar outlook is concerned, one fact that should not be lost sight of is that Saskatchewan is still primarily a raw material producer and its economy seems likely to continue heavily dependent not only upon varying crop conditions but also changing trends of world trade. These basic conditions have materially affected the Saskatchewan financial position in the past and no material change in this regard has yet become evident.

Canadian Breweries

How are current restrictions likely to affect the earnings position of Canadian Breweries?

Canadian Breweries Ltd. has simplified its capital structure and reorganized its plans and operating plants. The result has been a growth in earnings. Sales will be restricted by the steps taken by the government to curtail sales of beer, but it is said savings have been made in distribution which have offset most if not all of the reduced gross earnings resulting.

Latest step in consolidating the company's position is an offer to exchange its shares for those of Canada Bud, which is currently being made.

Kingston Elevator

As a subscriber to The Financial Post would you be kind enough to let me have your views on the 6% first mortgage bonds of Kingston Elevator Co.

Kingston Elevator Co. 6% first mortgage bonds are guaranteed by Canada Steamship Lines both as to principal and interest, which are payable at the holders' option in Canadian funds, sterling or U. S. dollars. No financial statement is issued, but the consolidated report of the parent company shows interest charges covered by a wide margin. In 1942 nearly $7.5 millions of net earnings were available to meet interest charges of $525,000 of C.S.L. bonds and $70,160 on the Kingston Elevator bonds.

United Grain

Some information on the new bond issue of United Grain Growers would be appreciated.

The new bonds of United Grain Growers are for refunding and to pay a portion of the purchase price of the assets of Gillespie Grain, recently acquired by United Grain Growers. The new issue totals $2.8 millions of which one half matures $200,000 annually up to 1950 and balance in 1958. It is the 4½% longer term issue which was offered publicly.

This company has always been able to meet all obligations on its funded debt and in the past few years has earned its fixed charges by a wide margin. It has been able to reduce the original bond issue sold in 1928, 1929 and 1937 by approximately one half prior to the current refunding.

Stock Dividends

I understand that dividends in common stock are not taxable as income in the United States. Does this also apply in Canada?

Dividends paid in stock are taxable as income in Canada with very few exceptions. The bases of taxation vary somewhat but it is usually on the market value of the shares received although it may in some cases be on their par value or based upon the appropriation from surplus. Each case apparently is considered individually.

To this extent practice in Canada differs from that in the United States.

Noorduyn Aid Figures Tabled

Company Now Delivering Utility Cargo Plane to U. S. Army Air Corps

From Our Own Correspondent

MONTREAL.—Capital assistance to Noorduyn Aircraft Corp. and owned by the Government, totals $4,596,545, while capital assistance granted by the Government but owned by the company or its landlord, amounts to $51,000, according to returns tabled in the House.

Guaranteed bank loans were authorized by the Government to a maximum of $2 millions, and the amount of loans on Feb. 28, 1943, was $900,000.

Expenditures by the Government on tools, machinery and equipment at the Noorduyn plant, allowed by the Government, were $1,278,395. No operating capital was provided to the company by the government.

Delivering New Type

The company reports that it is now delivering UC-64 Utility Cargo Transport Planes to the United States Army Air Corps. This is a high-wing monoplane, easily convertible to skiis, wheels and floats and is powered with a single 550-h.p. motor. It is the only machine of Canadian design, and the only craft not designed in the United States, which is being accepted by the U. S. Army.

Deliveries were started early this year, according to R. B. C. Noorduyn, vice-president and general manager of the company, but it was not disclosed where the craft were to be used, nor in what numbers they were being turned out in the plant.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

LICENSED SCRAP DEALERS. M. & S. order S.C. 25, March 5, provides that all metal scrap dealers must obtain federal licence. Associate Steel Con., M. A. Hoey.

* * *

NYLON. M. & S. order Supplies 5, March 9, restricts use of nylon. Deputy Con. of Supplies, J. H. Lamprey.

* * *

UMBRELLAS. W.P.T.B. order A-634, March 9, limits manufacture of umbrellas according to price groups and previous output. Adm. of Textile Sundries, J. A. McLaren.

* * *

MIXED FEEDS. W.P.T.B. order A-636, March 9, restricts manufacture of livestock feeds to certain ingredients. Feeds Adm., F. W. Presant.

* * *

IMPORTED RICE, W.P.T.B. order A-639, March 10, alters previous order A-201 in regard to maximum price rulings on imported rice. Foods Adm., K. W. Taylor.

* * *

BEEF FATS, W.P.T.B. order 231, March 10, provides that certain fats must be removed at time of slaughter before a carcass of beef may be sold. W.P.T.B., chairman, Donald Gordon.

* * *

USED GAS STOVES. W.P.T.B. order A-640, March 11, forbids scrapping of used gas stoves without permission, and regulates prices for such stoves. Adm. of Used Goods, S. Godfrey.

* * *

USED WOOD AND COAL RANGES. W.P.T.B. order A-641, March 11, applies provisions similar to those in order A-640, above, to used coal and wood stoves and ranges. Adm. of Used Goods, S. Godfrey.

* * *

SWISS WATCH MOVEMENTS. W.P.T.B. order A-643, March 12, orders that prices for Swiss watch movements at wholesale shall not exceed by more than 5% the prices in effect during the basic period Sept. 15 to Oct. 11, 1941. Adm. of Jewellery, Herman H. Levy.

* * *

BUILDING SUPPLIES DELIVERY. W.P.T.B. order A-644, March 13, forbids delivery of building materials on the same day the order is received and makes restrictions regarding credit. Materials not covered in the order are listed. Adm. of Services, M. W. McCutcheon.

* * *

MAPLE PRODUCTS. W.P.T.B. order 250, March 16, sets maximum prices on maple products as sold by processors, distributors and retailers. W.P.T.B. Chairman, Donald Gordon.

Dosco's Plate Mill Sets Three Records

Dominion Steel & Coal Corp.'s 110-inch plate rolling mill at Sydney completed its first year of operations by establishing three new production records.

On March 18, the day shift turned out 365 tons of steel to break the old single shift record of 325 tons, then the night crew upped this to 393 tons. The total day's production of 758 tons far exceeded the previous high of 611 tons.

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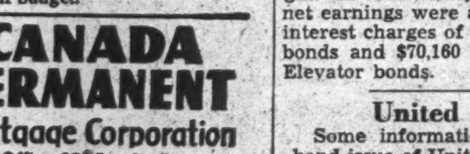

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1943 MODEL

YOU HEAR IT at all hours . . . that long-drawn cry of the locomotive whistle. It's the war whoop of the railways.

It may be a troop train speeding to keep a date with a convoy . . . it may be a long freight loaded with tanks, guns and other materials of war, many of them built by the railways themselves . . . it may be another week's supply of raw materials to keep a war plant in production, or food, fuel and other essentials for the home front.

It is the war whoop of Canada's greatest war industry—the railways, which are serving the nation as effectively in war as in peace. Only the railways can furnish mass transportation on such a scale.

Your railways were ready . . . ready in war, so that Canada could strike with all her might. They will be ready in peace again to serve a greater Canada . . . rolling ever forward on highways of steel.

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Because of gasoline rationing and other travel difficulties, every life insurance man is becoming increasingly dependent on calls "by appointment". By telephoning he shows that he knows your time is valuable. So is his.

He is calling because he has something of practical interest to tell you. It may be an item of service in connection with your present insurance he wishes to discuss. He may have a timely idea to present to you. Whatever it is, it will be worth your while to say "Okay—see you Thursday at 3:00", or to arrange some other time mutually convenient.

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BRANCHES AND AGENTS IN ALL IMPORTANT CENTRES

Montreal Stock Exchange and Montreal Curb Market listings show a reversal of value trends during February, dropping to $6,806 millions at the end of the month. Compared with February last year, however, the total recorded a substantial gain, being up $405 millions.

Bell Telephone Co. of Canada has issued 691 shares of capital stock, bringing the number outstanding to 844,803 shares. This stock was issued in connection with the employees stock purchase plan.

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INCOME TAX INSTALMENT DUE 31st MARCH 1943

Such persons, if their income from sources other than salary and wages exceeds 25% of their total income, are required to pay their 1943 Income Tax by instalments as follows:—

20% on or before 31st March, 1943
25% on or before 30th June, 1943
25% on or before 30th Sept., 1943
30% on or before 31st Dec., 1943

If less than 75% of your income comes from salary or wages, you must estimate your 1943 Income Tax now and pay instalments as set out above. You may estimate your tax by applying the 1943 rates either to your 1942 income or to your estimated 1943 income.

The first instalment of 20% is due 31st March, 1943

Remittances, made payable to the Receiver General of Canada, must be sent to the Inspector of Income Tax for the District in which you reside. Each remittance should be accompanied either by a letter giving particulars **AND YOUR FULL NAME AND ADDRESS**, or preferably by form "T.7B-Individuals 1943".

Interest is payable in respect of late or insufficient payments.

Dominion of Canada — Department of National Revenue

INCOME TAX DIVISION

COLIN GIBSON, *Minister of National Revenue*
C. FRASER ELLIOTT, *Commissioner of Income Tax*

1T9

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—The amazing winter that was never a winter has ended. Buds are appearing and the only fear is that the frustrated winter may send a frost as a last fling of ill temper.

In keeping with the early spring there is a liveliness in the spirits of the people. Rightly or wrongly they feel that this is the year of fate. The spirit of attack has seized the civilians as well as the men in the services and they are eagerly waiting the signal.

In the midst of all this the members of the House of Commons met at St. Margaret's, Westminster, to bury their dead Speaker. Lady Oxford and Mrs. Neville Chamberlain, wives of ex-premiers, came, and the entire Cabinet was there with the exception of Mr. Churchill who was still under doctor's orders. It was a cold, formal service. The new Archbishop of Canterbury read the service in a voice expressing strength of character and little emotion. The former Archbishop, Dr. Lang, pronounced the burial lines.

It was not until later, in the Commons, that "Jimmie" Maxton, who looks like the spirit of the Barricades but has a heart that is rich with kindliness, brought the human note to it all. With gentleness and humor he pictured the late Captain FitzRoy "half swaggering" down the corridors to the chamber as if he knew he were part of history. Then he described the Fitzroys at home, their human, generous hospitality — and suddenly Maxton, the veteran of a thousand debates, was almost unable to continue. The formal tributes of the others were forgotten. It was the lean, dark-haired revolutionary from the Clyde who really spoke for the House of Commons.

• • •

The New Speaker

The election of the new Speaker produced a remarkable scene. As no one was in the chair the Clerk with the long forefinger was again in silent charge although unable to call any one to order. That remarkable figure of British public life, Captain Cunningham Reid, seized his chance. To the horror of the assembly he got up to protest against the election of Colonel Clifton Brown, not as a man unfit for the task, but as too much under the influence of the Government and the Whips.

To understand the scene you must know something of Captain Cunningham Reid. An airman in the last war, and described as an Adonis (he is still strikingly good looking), he became secretary to the father of the two Ashley sisters, who had inherited a vast fortune from Sir Ernest Cassels. One sister married Lord Louis Mountbatten and the other married Cunningham Reid. A little later he secured nomination as Conservative candidate for the Tory stronghold of Marylebone. A great outcry broke out. It was said that he had packed the meeting and a rival Conservative Association was set up. They fought it out at an election and Cunningham Reid won.

Having become an M.P. he hardly ever went near the House. He was attacked on every hand but was completely imperturbable. His unpopularity reached a remarkable level. Then came a divorce from his wife. She had made a large settlement on him and later tried to rescind it. He sued her in the courts—and won. That, at least, took courage, even if the result was to blacken him still more in the minds of people.

Then with the approach of the war, Cunningham Reid began to turn up at the House every day. He attacked the Whips. He attacked the Tory Party. He wrote a scathing pamphlet called "Tory M.P." When the sister of the Duchess of Kent came here for a visit after the death of the Duke he raised the matter in Parliament and demanded to know why the wife of a traitor, Prince Paul of Jugo-Slavia, was allowed to enter the country. When the Speaker tried to rule him out of order he persisted.

Previously the Conservative Whip was withdrawn from him. He was a lone wolf and sat with the Independents. And this was the man who rose to protest the election of the Speaker.

Such is the fairness of the House that he got a good hearing. Cunningham Reid has courage and stubbornness. The House hated what he was saying but acknowledged his fearlessness. Unfortunately the captain, encouraged by this kindness, went on too long. The House grew restive.

And then the incredible happened. That old Socialist wag, Will Thorne, who is 82, gave way to an impulse which has been repressed for years. He drew a referee's whistle from his pocket and blew it. There was a gasp and then a howl of laughter. It brought down the captain, and the Speaker was then duly elected. As no one was in the chair, Will Thorne could not be rebuked for this highly improper behaviour.

• • •

"No Good Germans"

Are the Germans and the Nazis two different species? That is what the House of Lords tried to decide recently. Lord Vansittart (the former Sir Robert Vansittart, permanent head of the Foreign Office, who fell with the Hoare-Laval Pact), has become the arch-priest of hatred toward Germany. He is not a trained public speaker but his voice is persuasive and his command of language worthy of a man who wrote plays and poems while he was in the Foreign Office. Here are some of his sardonic statements from a recent speech:

"In this war the German Army has lived down to its best traditions."

"Throughout the generations the good Germans have corresponded exactly to Euclid's definition of a point—they have position but no magnitude."

"Reliance on the good German has twice nearly caused civilization to vanish away."

"By 1944 exactly 101% of the Germans will announce that they were anti-Nazi and against Hitler."

After that Lord Vansittart went to his club and had a rubber of bridge. He had done a good day's work and deserved an hour's recreation.

• • •

A Poet Dies

Laurence Binyon is dead. He was a poet of many talents but became the victim of having written those beautiful lines in the last war:

"They shall grow not old, as we
that are left grow old;
Age shall not weary them, nor the
years condemn.
At the going down of the sun, and
in the morning,
We will remember them."

Those lines, together with Rupert Brooke's "That is for ever England" and McCrae's "In Flanders Fields," were the three great war poems that seized the public a quarter of a century ago. Poor Laurence Binyon lived almost to curse his own triumph. "Why won't they read my other poems?" he asked.

But the public were content. They wanted nothing more from Binyon than "They shall grow not old."

• • •

This has been a barren war for the arts. We are not conscious of one great poem, one great novel, one great play, or one great painting. Such beauty and imagery as have appeared are found in the unskilled writings of airmen. In their contact with the stars and the open skies they have been moved to words that have, in some cases, attained rare beauty.

The composers are as barren as the rest. One thing has come out of Russia, "The Leningrad Symphony," but it is more photographic than imaginative.

The people's souls are hungry for beauty and inspiration but the voices of the artists are still.

Should We Revise Constitution Now?

(Continued from page 3)

the provinces to implement, on a provincial basis, much needed social reforms. But the war situation should not give to the centralizers an undue occasion of forwarding their views, otherwise inopportune in peacetime, of centralization through constitutional amendment.

• • •

A. P. Paterson

Well-known businessman of Saint John, N.B., former provincial minister and prominent exponent of maritime province affairs.

Social security depends upon economic security which should be provided chiefly by the production of wealth in and trade of provinces. Previous Dominion-Provincial conferences were influenced by the Dominion which seemed to overlook that the Dominion was constituted to conduce to the welfare of the provinces in a manner and with the machinery as constitutionally provided.

I suggest an inter-provincial conference to plan increased production and to promote fairly regulated interprovincial trade to be followed by Dominion-Provincial conference to advise the Dominion how to promote inter-provincial plan and fit it into International economic relations. I suggest revision of the constitution if necessary to attain interprovincially agreed economic and social objectives.

• • •

Emile Vaillancourt

Health League of Canada, Montreal.

I must say that Social Security and public health are of such importance that if we have to secure the adoption of the Marsh report by convening immediately the Provincial and Federal governments' constitutional representatives to consider modifying the British North America Act to suit present needs, we should not hesitate to take this decision.

Moreover, this legislation of the Imperial Parliament proclaimed in 1867, hardly answers present needs. If it is a matter of protecting the French and Catholic minority rights in the language, one should substitute a "bill of rights."

• • •

J. S. Wood

Prominent farmer of Oakville, Man.

I believe an interprovincial conference should be called at once or comparatively soon so that each government can acquaint themselves with their duties and responsibilities in connection with social security and other postwar planning. The constitution should be amended to insure not only that such plans be effectively and efficiently carried through but that the economy of Canada should support such a programme.

C.N.R. Returns Set Record

From Our Own Correspondent

MONTREAL. — Reversing the January trend when increased costs offset the gain in operating revenues, Canadian National Railways report an advance in both gross and net operating income for February.

Operating revenues last month reached the record figure of $30.3 millions. This was nearly $5.4 millions greater than for the same month last year. While expenses jumped $3.9 millions, net was boosted to over $5.1 millions, or about $1.5 millions greater than in Feb., 1942.

As a result of the more favorable showing in February, cumulative returns for the first two months of this year show operating revenues up $8.7 millions to $59.6 millions and net revenue to $9.6 millions, or some $800,000 more than a year ago.

	—February— 1943	1942
Operating revenues	$30,329,000	$24,950,000
Operating expenses	25,206,390	21,305,560
Net revenue	5,122,610	3,644,440
Aggregate to February 28th		
Operating revenues	$59,607,000	$50,917,000
Operating expenses	50,011,676	42,115,448
Net revenue	9,595,324	8,801,552

Investment Notes

S. E. C. report of security transactions and holdings includes the following of Canadian interest:

Hudson Bay Mining — Henry Krumb, officer and director, disposed of 735 shares retaining 30,565.

International Hydro-Electric—P. H. Todd, director, acquired 500 shares of class A, holding 46,100, and 500 shares of $3.50 preferred, holding 3,800.

International Nickel—R. L. Beattie, director, holds 200 common shares. R. S. McLaughlin, director, holds 1,000 common shares directly and 25,621 through a holding company in which his proportionate interest is not stated; he disposed of 1,100 preferred shares through a holding company, retaining 500. Thomas Morrison, director, holds 1,600 preferred shares and disposed of 2,080 common, retaining 20,297 shares, according to Nov., 1942, reports.

Hiram Walker-G. W.—H. O. Comrie Palmer, officer, disposed of 40 common shares in December last, retaining none.

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Metropolitan Has Birthday

Big Life Insurance Company Now 75 Years Old

Metropolitan Life Insurance Co. is marking the 75th anniversary of its founding. Although its head office is in New York, it commenced business in Canada more than 70 years ago, maintains a Canadian head office at Ottawa.

It has total insurance in force of $27 billions held by 30 million policyholders. It is estimated to have more than two million policyholders in Canada, close to 17% of the total population. At the end of 1942 it had more than $1.4 billion of insurance in force in this country.

Metropolitan began business in Canada in 1872.

At first, progress was slow, and operations were confined to the Maritime provinces.

The Canadian Government required a deposit of $50,000, which was brought to Canada in U. S. Government bonds. In 1890, Canadian bonds were substituted, and since then the deposit has been entirely in Canadian securities. At Dec. 31, 1942, the company had investments in Canada of over $329 millions. At the end of 1892 Metropolitan Life business in force in Canada was only $1.8 millions, representing 14,136 policies, the largest part being industrial.

Development Policy

In 1894, Vice-president Haley Fiske decided on a vigorous development policy and came to Montreal to open a new district office. Other offices were opened in Ottawa, Hamilton and London. Only industrial business was sold, and the total amount of insurance increased to nearly $4.5 millions the first year.

Mr. Fiske's programme coincided with a period of great development in Canada's history. Meanwhile, life insurance was coming to be more appreciated. The average holdings grew from $63 per capita in 1894 to $194 in 1917.

Metropolitan kept in step with the expansion.

Under the direction of Dr. Lee K. Frankel a nursing service for policyholders was begun in Canada by Metropolitan in 1910, at Montreal. Its nursing and health services have since spread across the country. In the last war the company insured a large number of the first Canadian contingent at a small extra premium charge. It also invested $24.4 millions in Victory bonds.

During these years it took over the insurance carried by two companies, the Union Life Insurance Co. and the Canadian Life Insurance Co.

An important step came in 1917, when a separate administration division of the company was created in Canada. In the next seven years, life insurance saw its greatest growth to date and the volume of insurance in force per capita grew from $194 to $407 at the end of 1924.

Metropolitan's business increased even more rapidly. More attention was given to ordinary insurance and when the Dominion Government authorized group insurance in 1919 and accident and sickness insurance in 1922 it began writing both classes, in which it has since built up a large volume.

Canadian Office Authorized

It was in 1924 that directors authorized a new head office for Canada under the management of A. F. C. Fiske.

Canadian operations now are under the management of E. C. McDonald, who was made a member of the National War Finance Committee and has worked actively on the Victory Loan campaigns. The company employs more than 1,000 persons in Ottawa and more than 2,000 agents in the field. The self-contained Canadian unit shares in the 75 years of growth of the whole company.

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How New Tax Deductions Hit the Wage Earner

Next week Canadian income taxpayers will start paying their taxes on a pay-as-you-go basis. Those who pay on a quarterly basis will make their first payment March 31. Those deriving their income from salary or wages and having their tax deducted at the source will have first deductions under the new system made the first payday in April.

New tables of the deductions are now being distributed to employers. These new deductions will generally be higher than previously because: the taxpayer will now get no credit for his national defense deductions in 1942, and the new deductions aim at getting 95% of the total tax due including the compulsory savings portion.

In the following table are shown the old and new deductions in a number of salary brackets. The first column in each scale shows the total tax including compulsory savings. The second column shows the compulsory savings portion. The first column minus the second column gives the non-refundable part. Persons who have other classes of approved savings such as life insurance premiums, mortgage principal payments on their own residences, subject to the provisos established by the regulations may set these off against their compulsory savings portion. According to the new budget proposals, individuals may now offset payments on Dominion Government annuities against their compulsory savings.

Examples of the new deductions with comparisons follow.

ON WEEKLY PAY BASIS

Weekly Income	New Scale: Total Deduction	New Scale: Savings Portion	Former Scale: Total Deduction	Former Scale: Savings Portion
Single, No Dependents				
$	$	$	$	$
25	5.25	1.90	3.80	1.80
35	9.50	2.65	7.36	2.52
40	11.65	3.05	9.15	2.88
50	15.90	3.80	12.74	3.60
60	21.10	4.55	17.18	4.32
100	40.85	7.60	34.03	7.20
Married, No Dependents				
$	$	$	$	$
25	1.20	.60	.90	.87
35	6.40	3.20	4.92	3.04
40	8.50	3.80	6.73	3.60
50	12.70	4.75	10.36	4.50
60	17.20	5.70	14.30	5.40
100	36.20	9.50	30.97	9.00
Married, Two Dependents				
$	$	$	$	$
25	.65	.32	.29	.29
35	2.50	1.25	1.69	1.17
40	4.55	2.30	3.51	2.16
50	8.75	4.40	7.13	4.14
60	13.25	6.65	11.08	6.28
100	32.25	11.40	27.77	10.80

ON MONTHLY PAY BASIS

Monthly Income	New Scale: Total Deduction	New Scale: Savings Portion	Former Scale: Total Deduction	Former Scale: Savings Portion
Single, No Dependents				
$	$	$	$	$
75	10.70	5.35	7.63	5.06
100	19.55	7.60	15.21	7.20
150	39.00	11.40	29.96	10.80
200	61.80	15.20	49.23	14.40
250	84.25	19.00	68.16	18.00
300	110.40	22.80	90.58	21.60
500	212.55	38.00	178.04	36.00
1,000	506.05	63.35	432.73	60.00
Married, No Dependents				
$	$	$	$	$
100	....	....	.60	.60
150	27.15	13.60	20.72	12.86
200	48.05	19.00	38.84	18.00
250	70.00	23.75	58.00	22.50
300	92.80	28.50	77.93	27.00
500	191.20	47.50	164.46	45.00
1,000	475.15	79.15	416.82	75.00
Married, Two Dependents				
$	$	$	$	$
150	10.05	5.05	6.73	4.75
200	30.95	15.50	24.87	14.66
250	52.90	26.45	44.02	25.07
300	75.70	34.20	63.95	32.40
500	174.10	57.00	150.48	54.00
1,000	458.05	95.00	402.84	90.00

Fire Insurance Premiums Down But Loss Ratio Climbs Higher

Fire insurance premiums written in Canada by Dominion licensed companies totalled $47.8 millions, according to a preliminary estimate prepared by G. D. Finlayson, superintendent of insurance at Ottawa.

The figures are taken after deducting registered or licensed reinsurance and show a decline of $2.8 millions or 5.51% from 1941.

Declines in total premiums were shown by all three groups: Canadian, British and foreign companies. The decrease from the previous year was probably due to the large volume of premiums written on a three-year term on mercantile risks by stock companies for the first time in 1941.

Insured fire losses incurred, less registered reinsurance, were $20.8 millions, about $2.4 millions higher than in the previous year, the loss ratio being 43.6% compared with 36.34% in 1941.

British companies showed the lowest loss ratio at 42.51%, with Canadian companies at 43.38% and foreign companies at 44.66%.

Among the provinces, Prince Edward Island had the lowest loss ratio at 25.37%. Quebec had the highest at 53.66%. Other loss ratios by provinces were: Alberta, 42.48%; British Columbia, 41.19%; Manitoba, 25.86%; New Brunswick, 41.32%; Nova Scotia, 49.46%; Ontario, 41.87%; Saskatchewan, 28.07%; "all other Canada," 9.31%.

	1942	1941
	$	$
Total net prems. writ.	47,859,492	50,652,830
Canadian co's.	12,636,295	13,070,356
British co's.	16,137,444	17,897,116
Foreign co's.	19,085,753	19,685,358
Net losses incurred	20,865,972	18,373,061
	%	%
Loss ratio total	43.60	36.34
Canadian co's.	43.38	37.25
British co's.	42.51	38.46
Foreign co's.	44.66	40.96

F. O. Reddrop, formerly assistant manager at the Toronto branch of the Liverpool & London & Globe Insurance Co., has been named assistant manager at the Toronto branch of the Royal Insurance Co.

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Urges Holding Units For Crown Companies

Watson Sellar, Auditor-General, Believes Value of Government War Firms Should be Preserved in Reconstruction Period

From Our Own Correspondent

MONTREAL.—Creation by the Crown of a super-trust, to hold all the assets of the 24 government war companies so that they can be reorientated into the peacetime economy with a minimum of dislocation, was suggested by Watson Sellar, Auditor-General of Canada, in an address before the Society of Chartered Accountants of the Province of Quebec.

Annual business of nine of the companies engaged in purchasing and merchandising is at the rate of $350 millions a year; that of the 10 manufacturing companies, $140 millions, while the administrative companies cost about $2 millions.

"As to the future of these companies," Mr. Sellar said, "no opinion need be formed. They are war enterprises. Some may have a postwar place in the economy of Canada; others have none. But either they or a new scheme of bodies have a place in the planning for the peace. Canada has poured many hundreds of millions into plants, machinery and supplies.

"The day will come when a diversion to civil needs can take place. That, I submit, cannot wisely be done by hanging out an auctioner's banner and knocking down plants, machinery and store inventories, in all their various categories, to the highest bidder. That could prove disastrous to Canadian economy. It might have a distressing effect on many communities. By creating unfair competition, it could bankrupt long-established and well-managed concerns of many kinds."

Have Double Value

Appraising the value of the companies from both a wartime and a postwar viewpoint, Mr. Sellar saw in them a double significance from an administrative and public service angle. These he summed up as follows:

1. They may contain the germ of a possible solution to certain problems where the constitutional rights of the national and provincial government make difficult the application of rules of jurisdiction.

2. They demonstrate that the standards of commercial enterprise are not incompatible with those regulating public administration.

Set New Principle

They have established, said Mr. Sellar, and the public apparently is willingly accepting, the principle that co-operative management can be substituted for departmentalism without abuses resulting.

"Does it not mean that the way is being paved whereby the public may profit from the talent and experience of the executive group that has taken the place of those forceful old gentlemen whose mere association with a public plan was sufficient to raise a cloud of suspicion with respect to the bona fides of the whole thing?"

Mr. Sellar described the manner in which the Crown companies came into being at the instigation of the late Hon. Gordon Scott.

The plan adopted was the creation of the Crown company for each special activity, with the Minister as the exclusive shareholder.

The outstanding difference between the financial statement of the companies and those of ordinary corporations, Mr. Sellar told the society, is the treatment of fixed assets. A Crown corporation does not own its lands, buildings and machinery. These are provided rent free by the government, the cost being charged to the department's expenditures for the year. In other words the investment is liquidated as a current expenditure and they are not treated as assets in the public account. The same factors apply to investments made to the purchasing companies and to working capital advances made to the operating companies.

E. C. WARD

Manager of London branch of Confederation Life Association celebrates the completion of 30 years with his company this month. Before coming to London, 13 years ago, Mr. Ward was manager for Northern Ontario. For many years he has been a member of the senior production club of Confederation Life and has a long record as an outstanding personal producer. Since coming to London his branch has made steady progress in volume of business in force.

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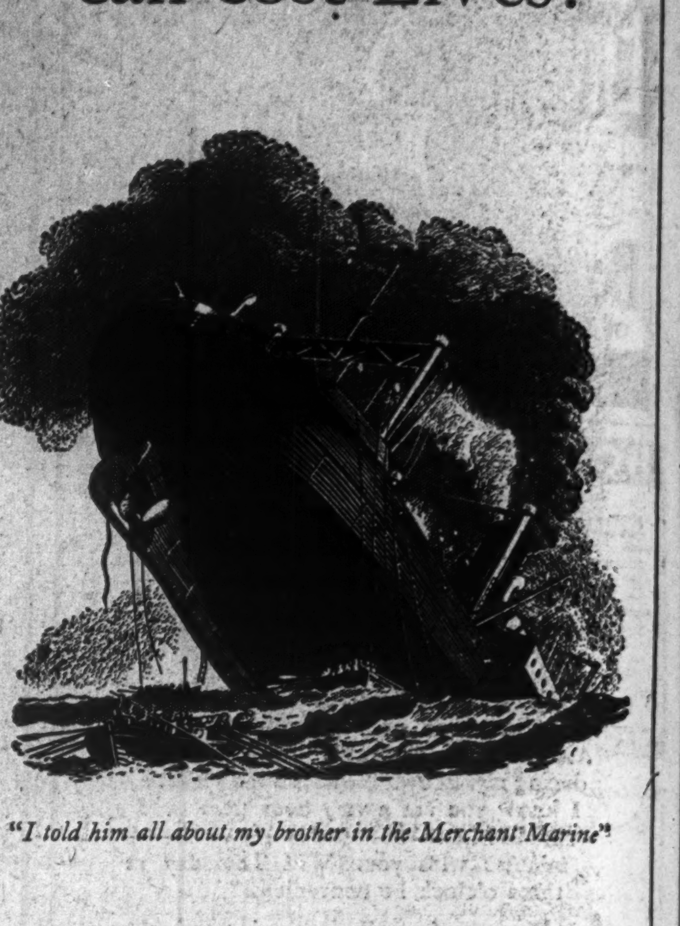
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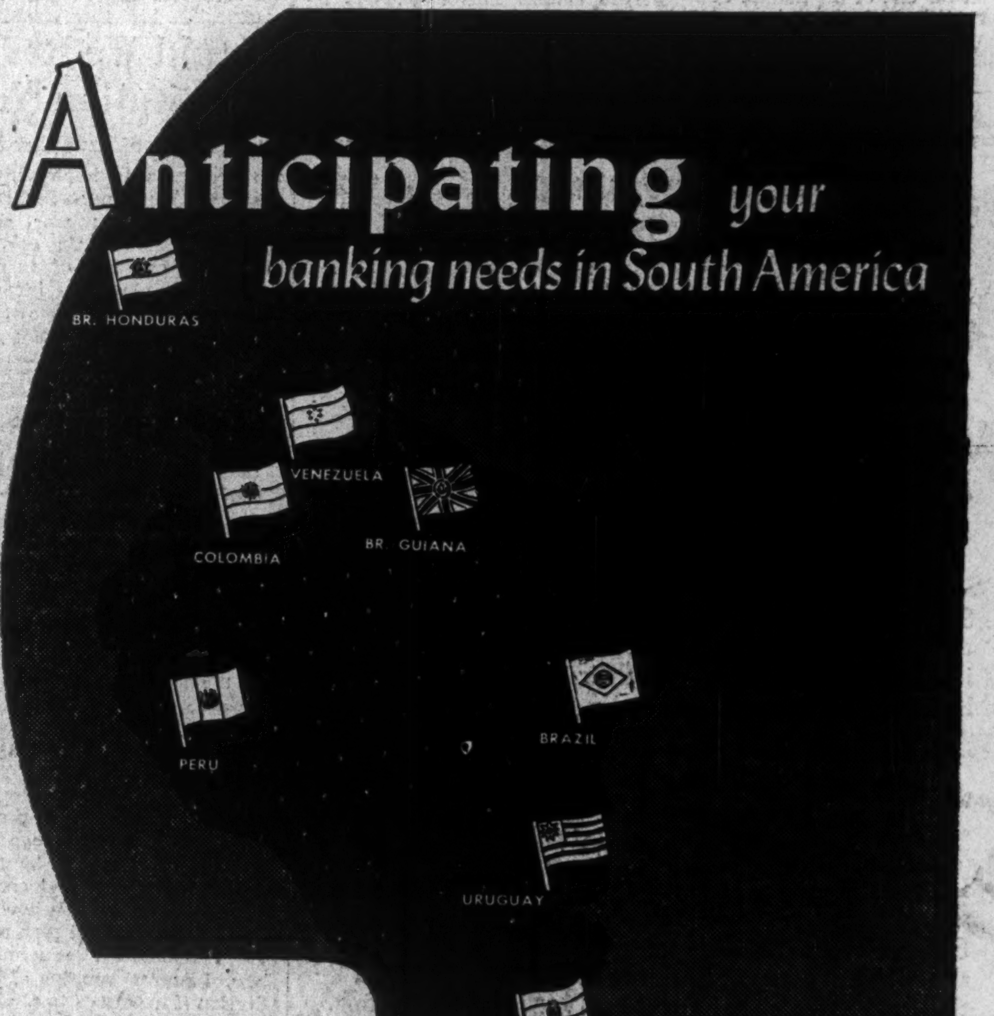
Canada Steamship Lines has declared a dividend of 5% or $2.50 a share on the preferred stock, for the year 1942, payable April 1 to shareholders of record March 20. Dividends at the rate of 5% per annum accumulate on this issue as from Jan. 1 last, payable semi-annually in January and July. The first dividend on such basis is expected to be paid July 2 next, amounting to $1.25 a share.



The Royal Bank of Canada is your natural point of contact in the South American market, a source of ready information on trade problems and a natural avenue through which to conduct your collections and other banking business in the south.
Established in South America for over a quarter of a century, branches of this bank serve the principal commercial centres of Argentina, Brazil, British Guiana, Colombia, Peru, Uruguay and Venezuela. In Central America The Royal Bank operates a branch at Belize in British Honduras.
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for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
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Canadian Courses for Canadians
Across Canada are thousands of Shaw Graduates who have attained to fine, well-paid positions and noteworthy successes in Business, through Shaw training. Shaw Home Study Courses provide practical, thorough and efficient instruction.
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New regulations may affect your envelopes — We shall be glad to check over your styles and sizes and advise you with regard to the changes which are coming.
Warning: *If you are designing new office forms to fit envelopes, i.e. invoices, statements, cheques, etc., be sure to have our representative check over the layout for position of windows, matching stocks and sizes of envelopes before printing. This will avoid waste.*
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W. J. GAGE & CO. LTD. Envelope Manufacturers
TORONTO MONTREAL WINNIPEG

Newsprint Operators Keep Fingers Crossed

Hope to Maintain Present Production Rate of Nearly 3 Million Tons Annually for 1943, But Wood Supply Still Uncertain

From Our Own Correspondent

MONTREAL. — Change-over of Canada's newsprint industry from a power to a wood economy is the most important development to have occurred in the last six months. On the latter hinges the ability of the operators to produce sufficient paper to satisfy market demands.

There are so many "ifs" in the newsprint picture that it is not possible to be dogmatic in appraising future trend of production. However, on the basis of present calculations, Canadian newsprint manufacturers will produce this year close to three million tons.

200,000 Tons Less

Actually there has been no change in the situation since R. L. Weldon, Newsprint Administrator, recently stated that output this year would be 200,000 tons and possibly more under the figures for 1942.

Last year Canadian mills turned out a little less than 3.2 million tons. This, in turn, was 238,000 tons less than in 1938.

On the basis of a three million ton output, however, the industry should be in a position to meet all reasonable demands.

The ability to reach this mark depends upon many factors, principally wood.

Power No Problem

Nine months ago power supply was the greatest problem to the industry in Quebec and Ontario. Now that problem seems to have been satisfactorily solved, though it meant taking away several hundred thousand horsepower of energy from the operators. Further curtailment of power deliveries to newsprint and other pulp and paper operators is unlikely.

The wood supply is the nub of the whole situation. Recent reports on cutting, etc., have been more cheerful. But newsprint men are careful to point out that the situation can change rapidly.

For instance, the recent government bonus of $1 a cord on firewood may have an influence on pulpwood operations.

Elements a Factor

Spring floods, of course, are highly important in the eastern area. If the same condition prevails this spring as was the case last year, when the floods came unexpectedly early and left a large amount of pulpwood stranded in the woods, the wood supply situation could deteriorate very rapidly.

It is factors such as these which keep the newsprint men from "going out on a limb" and making optimistic or pessimistic statements on future operations. There are too many uncertainties in their business to warrant forecasting too far ahead.

Another item is the war situation, which can change overnight. There may be pressure to reduce size of newspapers in order to release larger quantities of pulp for other purposes.

Then there is the political angle, a sample of which was experienced just recently when the War Production Board decided to ration the use of newsprint paper by another 10% on April 1. This plan was deferred, but there is no reason for thinking that such a scheme may not be carried out at a later date.

Aside from all these factors bearing on production, Canadian newsprint men are inclined to believe that on the basis of present outlook, the present rate of production can be maintained.

B. C. Salmon Packer's Request For Trap Privileges Opposed

From Our Own Correspondent

VANCOUVER. — B. C. Packers, Ltd., is making application to establish and operate fish traps at Sooke on the southern end of Vancouver Island.

The company has applied for a lease on seven miles of foreshore from the Provincial Government, and the Federal Government is being asked to sanction the traps.

Tom Reid, chairman of the International Pacific Salmon Commission, is opposing the move on the ground that it will reduce earnings and operations of individual fishermen.

The proposal may lead to controversy because traps have long been a disputed method of catching salmon, notwithstanding the finding of a royal commission two years ago which favored continued operations of traps at Sooke by Sooke Harbor Fishing Co. and J. H. Todd & Sons.

B. C. Packers takes the stand that if traps can be operated by one company the same privilege should be accorded others.

Long Range Study

Meanwhile the salmon commission is continuing its eight-year exploration of the Fraser River salmon situation. Not until 1945 will it be ready to lay down its recommendations for a permanent policy aiming at perpetuation of the fishery and division of the annual catch between Canadian and American fishermen on a 50-50 basis.

The commission will not concern catching salmon. It will merely state when and where they shall be taken.

Under the present long-term conservation policy it seems likely that the Fraser River salmon fishery will be restored to its earlier proportions and yield possibly $30 million or more annually. Chief obstacle in the past has been the damage done by rockslides at Hell's Gate. These are now being overcome.

Purchasers Urge Pulp Conservation

Suggest Use of Lower Grades, Salvaged Materials to Stretch Supply

Declaring that only a de-grading of materials will permit the paper industry to furnish 14.5 million tons this year, the paper committee of the National Association of Purchasing Agents of New York, has urged its members to change paper specifications immediately.

Federal procurement departments already are taking steps to revise government specifications on many types and grades of paper excepting only the rag papers such as map, chart, blueprint, tracing, technical and papers of a permanent nature, it was pointed out, and business must follow suit.

In suggesting a de-grading of pulp finished, the committee urged the use of a greater amount of de-inked book paper, increased amounts of various other grades of waste paper, slightly more clay in papers, but not exceeding 5% in fine papers, and the use of groundwood pulp in many types and grades of paper where it has not been permitted in the past.

U. S. Paperboard Output Moves Up in January

Paperboard production in the United States in January totalled 467,841 tons, a slight increase over the 458,808 tons produced in Dec., 1942, but under the 599,541 tons turned out in Jan., 1942.

New orders received during the month increased 14,615 tons over those reported for December. Unfilled orders at the end of the month showed an increase of 31,537 tons to 325,314 tons this is the largest figure reported since last March.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

B.C. Manpower Shortage Growing More Serious

Lack of Labor Now Hitting Practically Every Industry on West Coast; Efforts Being Made to Enlist More Women

From Our Own Correspondent

VANCOUVER. — British Columbia faces the most critical shortage of manpower since the beginning of the war, and almost every major industry is seriously affected.

Logging and lumbering, base metal mining, construction, fishing and farming, and even the typical war industries such as shipbuilding, are feeling the pinch.

The situation has resulted from heavy enlistments and the draft, removal of Japanese from the coastal area, and the drift of country workers to metropolitan regions.

Last fall some 3,000 men came to the coast from the prairies on temporary work permits. Most of them will return to the prairies unless Ottawa decides they are more usefully employed in British Columbia. The status of 1[illegible]0 copper miners now working at Britannia and Granby on temporary basis is being studied at Ottawa.

Seasonal Industries

Northern construction projects and coast logging camps, shut down during the winter months, are calling for more men.

B. C. farm labor is so scarce that a federal-provincial programme is being organized to recruit a land army from women, students and army-rejected male workers. It is estimated that the farms need 15,000.

Fishing, another seasonal industry becoming active as spring approaches, will require several thousand workers, many of whom drifted into other work since last season.

Approximately 700 more men are required for coal mines, and the logging camps are reported to need more than 4,000 men to maintain full production.

Gerald Heller, chairman of the war industries co-ordinating committee here, says that the spring movement of workers from war plants to outside occupations has reached serious proportions.

"Many of our men have two occupations," said Heller. "In winter they work here on the coast, but when spring comes they grow restless and head for the interior—back to the farms or to the woods, and some of them go fishing.

"The prairies have been a valuable source of seasonal labor, but we are losing men every week—men who are going back to their prairie farm jobs."

Every effort is being made to enroll a maximum number of women, and thousands are today engaged in occupations that were exclusively male a few months ago—in the metallurgical plants at Trail, in the pulp and paper mills, planing mills, plywood factories, shipyards and aircraft plants.

Use of Newsprint Off in February

Decline of 3.7% Recorded—Volume of Advertising Shows Gain

Apparent total consumption of newsprint in the United States in February, at 280,139 tons, was 10,721 tons, or 3.7%, lower than in Feb., 1942, according to the Newsprint Association of Canada. The cumulative decrease in the first two months of this year over last was 2.9%.

Shipments from Canada during the first two months of this year represented 71% of total U. S. supply, compared with 72% in the same period last year. Shipments from U. S. mills represented 24% of the total, against 23% a year ago, while Newfoundland's share remained unchanged at 5%.

A decline in consumption of newsprint usually is reflected in lower advertising linage. However, in February, newspaper advertising linage in 52 United States cities increased 8.7% over Feb., 1942. This was a better showing than in January when the gain was 5.8%.

Cumulative advertising increase for the first two months of this year over last was 7.2%.

New England Power Working Out SEC Order

New England Power Association, subsidiary of International Hydro-Electric System, will shortly comply with the ruling of the Securities and Exchange Commission ordering elimination of the association holding companies, according to a statement issued by Irwin L. Moore, president.

Mr. Moore believed the objective could be accomplished "without the need of disposing of any substantial amounts of properties which now make up the New England Power Association's system, with minor exceptions."

In its findings, the S.E.C. ruled that assets now owned by New England Power, Rhode Island Public Service, Massachusetts Power & Light and North Boston Lighting Properties should be combined into one company.

Consolidated Paper Corp. reports that during February, 112 shares of capital stock were issued in payment of interest. This brings the number of shares outstanding to 2,561,799.

Fine letterheads— spearheads of business

● Today, more than ever, must reputations for quality, integrity and high repute be maintained *by mail*. Use the written word to hold and strengthen valued connections. And choose for your letterhead a medium worthy of its task: *Superfine Linen Record*. The impressive, substantial feel of this all-rag bond* bears silent witness to the established reputation of your company. For a fraction of a cent more than the cost of the commonest of letter papers, you can make this, Canada's finest paper, the medium for all your correspondence.

*The best papers are made from rags

For letterheads that command attention— documents that endure—
SUPERFINE LINEN RECORD

ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers since 1882
MONTREAL, QUE.

BRANCH: TORONTO, ONT. • MILLS AT ST. JEROME, QUE. AND MONT ROLLAND, QUE.

"You mean 42% coverage throughout Canada's urban centres?"

The list of these towns of 2500 population and up occupies two whole pages in the Star Weekly's circulation book. It includes towns and cities in British Columbia and on the Prairies; scores of busy centres in Ontario and Quebec; all those thriving towns and cities in the Maritimes. Think of all the English-speaking homes in all those towns and cities — the Star Weekly goes into 42 out of every hundred of them.

This is the cream of the Canadian market. These towns are the hub of manufacturing activities, of fishing, farming, mining, lumbering operations.

So if you, as an advertiser, are preparing for the day when selling will replace rationing, think of Canada's urban centres — and think of the Star Weekly which covers them so completely.

Of course, the Star Weekly covers the smaller centres just as thoroughly. If you'd like the complete story, write for our new "Distribution of Circulation" book.

The STAR WEEKLY
PUBLISHED AT 80 KING STREET WEST, TORONTO, CANADA

MONTREAL ADVERTISING OFFICE: UNIVERSITY TOWER — U.S. REPRESENTATIVES: WARD-GRIFFITH INC.

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

WEEK ENDING MARCH 22

Range 1943 High	Low	Div R'te $	Mar 20 Y'ld %		Sales	Last Mar. 15	Week end. Mar. 22 H	L	Cl'se
1.00	.59			Abitibi	750	.90	.80	.75	.75
8½	5			Do. pref. 6%	1535	7½	7½	6½	6½
17	12½			Do. pref. 7%	25	17	17	17	17
14	11½	.80+.20	7½	Agnew Surp.	20	13	13½	13	13
9½	8½			Algoma Steel, c	110	9½	8½	8½	8½
83	81	5	6	Do. pref.	50	83	83	83	83
102½	100½	5	4.9	Alum. of Can p	581	101½	101½	101	101
125½	105½	8+2	8.3	Aluminium, c.	655	121½	123½	120½	123½
[illegible]									

Range 1943 High	Low	Div R'te $	Mar 20 Y'ld %		Sales	Last Mar. 15	Week end. Mar. 22 H	L	Cl'se
24½	14			East Dairies, pf.	70	22½	22½	21½	22½
28	24½	2.50	9.2	English Electric	65	28	27	26	26
5½	4			Do. (B)	5	5	5	5	5
3½	2½			Fairchild Air	150	3	3½	3	3
23	21	1.50+.25	8	Fanny Farm.	550	22	22	21	21
4½	3½			Fleet Aircraft	110	4	3½	3½	3½
22½	19½	1	4.6	Ford Motors A.	1725	22	22	21½	22
15½	14	1.40	9.6	Foundation Co.	175	15	15	14½	15
[illegible]									

Range 1943 High	Low	Div R'te $	Mar 20 Y'ld %		Sales	Last Mar. 15	Week end. Mar. 22 H	L	Cl'se
12	10½	.80	6.7	Tamblyn, c.	10	12	12	12	12
20	20	2		Thayers, pref.	12	18	20	20	20
4½	2½			Thrift Stores, c	645	4	4½	4½	4½
30	23½	2	6.7	Tor. Elevators	250	29½	30	30	30
52	50½	2.62½	5	Do. pref.	190	51½	52	52	52
75	68	4	5.4	Tor. Gen. Tr.	18	75	74	72	72
7	6½			Traders Fin. A.	36	6½	7	7	7
7	5½			Do. (B)	1	5½	7	7	7
74	66½	6	8.1	Do. (A)	44	70	74	66½	66½
[illegible]									

Range 1943 High	Low	Div. Rate %	Mar. 20 Yield %	Company	Sales	Last Mar. 15	Week Ending Mar. 23 High	Low	Close
1.23	.70	.06	5.4	Mad. R.L.	35,711	1.14	1.12	1.06	1.08
2.00	1.67			Malartic G.	12,100	1.70	1.75	1.67	1.72
.01½	.00½			Man. & East.	6,000	.01	.01	.01	.01
.03½	.02½			Macalgo	2,000	.03½	.02½	.02½	.02½
52.00	46.75	3.33	6.5	McIntyre	1,028	51.25	52.00	51.25	52.00
.90	.83	.12	13.9	McK. R.L.	5,780	.90	.90	.85	.86
.02½	.01½			McLellan G.	3,000	.02	.02	.02	.02
.07	.05			McV. G'ab.	1,000	.05	.05	.05	.05
.18	.10½			McWatters	5,700	.14	.14½	.12	.14
1.80	1.22			Mining Corp.	3,400	1.55	1.57	1.50	1.54
[illegible]									

* Participating. ‡ Paid in 1942. ∆ On arrears. * Interim. † Initial. * Net after corporate income tax.

Mining Stocks
Week Ending March 22

[illegible]

Oil Stocks

Range 1943 High	Low	Div. Rate	Yield %	Company	Sales	Last Mar. 15	Week Ending Mar. 22 High	Low	Close
.09	.04½			Pana-ta	47,500	.05½	.06½	.05	.06½
.34	.20			Pac. Pete	3,000	.30	.27	.27	.27
.04½	.03½			Royal Can.	1,000	.03½	.04	.04	.04
25.50	21.00	1.00	4.2	Royalite	85	24.25	24.00	23.50	23.50
.07	.03½			South End.	9,100	.05	.05	.04½	.04½
.32	.20			South W. P'te	500	.25	.25	.25	.25
.12	.08	†.01½		Sunset	1,000		.09	.09	.09
1.10	.75			Texas Can.	1,655	.90	1.10	1.00	1.10
.09½	.04½			United Oils	2,100	.06	.06	.06	.06
.15	.19½			Vermilata	10,700	.13	.13½	.12½	.13
.36	.20			Vulcan	500	.28	.25	.25	.25

* Yield including bonus. * Paid in 1942. † Initial. ‡ Interim.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Mar. 23	15,786	4,750	252,000	......
Mar. 22	13,300	5,100	213,000	34,109
Mar. 20	10,100	4,100	98,000	6,100
Mar. 19	9,800	2,000	256,000	10,130
Mar. 18	10,900	5,400	276,000	15,400
Mar. 17	14,700	3,100	249,000	39,450

Government Bonds
(Supplied by Investment Dealers' Assoc. of Canada)

[illegible]

	Bid	Ask.
a3e Jan. 1967	99½	‡100½
a3e Nov. 1968	100	101
†3 Perpetual	94½	95½
Dominion Guarant'd Bonds		
Can. Nat'l. Railways:		
2½ Jan. 1946	100½	101½
3 May 1944	101½	102½
3 Dec. 1950	100½	101½
3 Jan. 1959	99	100½
*4½ Sept. 1951	120½	122½
*4½ Feb. 1956	122½	124

	Bid	Ask.
5 Oct. 1948	109½	111
*5 Dec. 1960	127½	129½
5½ July 1946	107½	109
Ont. Hydro Commission:		
3 Aug. 1948	100	101½
3½ Feb. 1953	100½	102½
3½ Apr. 1947	102½	104½
Prince Edward Island:		
4 Mar. 1954	101½	103½
Quebec:		
3 Nov. 1947	99½	100½
3½ Mar. 1948	99½	101½

c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ‡-Calculated to 1950 average maturity. a-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks
Mar. 23, 1943 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrial:	Bid	Ask.
Acme Farm., pf.	72½	78½
Andian National.	19½	21½
Anglo C. Tel., A	8	9
Atlas Steels, c.	22½	24½
Do., pref.	105	108
B. C. Pulp, c.	10	11
Do., pfd.	62½	65
Barrymore Cl., p.	44	..
B. C. Sugar	74	..
B. C. Tel., p.	103½	..
Brown, com.	1½	2
Do., pfd.	31	34
Burns & Co., A	6½	7½
Do., B	3½	4½
Can. Indust., A	163	167
Can. Co-op. Wool	8½	10
Can. Mach., c.	8½	10
Can. Ing. Rand	62	66
Can. Mot. L.A.B.	7	8
Cap. W. Cloth	5½	..
Do., pref.	18½	21½
Col. Realty	3	..
Chase, A. W., p.	16½	18½
Colonial Steam.	65	70
Copeland F. un.	15	17
Dunlop T. p. $25	21	22½
East. Steel, p.	20	22
Fed. Grain, com.	1½	2
Do., pref.	70	77
Galt Brass, c.	10	12
Goderich Elev.	9	10½
Guard. Realty, p.	15	18
Guelph Carpet, c.	13	16
Gurney Fdy., p.	1½	2½
Hart Battery	5½	..
Hayes Steel, c.	13½	14½
High. Dairy, pf.	..	45
Inglis, John	5½	7
Ingram & Bell, p.	88	..
Kingst. Ship., c.	12	15
Loblaw Inc., c.	11	12½
Minn. & Ont. p. c.	4½	4½
Mt. Royal Htl. c.	2½	4

	Bid	Ask.
M'row Screw, p.	100	103½
Do., com.	14	16
Morrison Br. un.	6	7
Neilson, Wm., c.	10	..
Do., p.	101	..
N. Meth. Ldy. p.	75	..
Ont. Tobacco, p.	15½	18
Prov. Paper, p.	95	98
Rel. Grain	..	23
Do., pref.	90	94
Stand. Fuel, p.	51	54
Stedman, pf. $50	54	57½
River. Silk, B	2	..
Sutton Horsley	½	1½
Tor. Carpet, c.	67	..
Do., pref.	68½	72
Un. Steel, A. pf.	23	24
Viceroy Mfg., c.	12	..
Do., pref.	20½	23
West. Grain, un.	..	20
Trust & Loan Stocks:		
British Mtge.	115	128
Brockville Tr.	43	..
Cap. Trust	28	32
Comm. Fin., c.	6½	..
Grey B. Tr. $50	44	..
Guaranty Trust	100	103
Guelph & O. $50	46	52½
Indust. Mtge.	25	28
Lambton Loan	33	..
Lond. & W. Trust	34	37½
Midland Loan	14	16
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Trusts & Guar.	30	34
Victoria Trust	63	66
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	51	53
Canada Life	320	335
Canadian Fire	72½	78½
Confed. 30% pd.	127	..

	Bid	Ask.
Cons. Fire	4	..
Continental L.	27	32
Crown Life	257	270
Dominion Fire	133½	138
D. of Can. Gen.	125	..
Dom. Life	175	200
Empire, 25% pd.	6	7
Excelsior 40% pd.	72	76
Fed. Fire 25% pd.	54	56½
Great-West Life	225	240
Halifax Fire	14	15
Imperial Life	245	275
Manufac. Life	215	..
Monarch Life	32½	35
National Life	8	10
Sov. L. 25% pd.	13	..
Sun Life	275	300
Tor. General	4½	5½
Wellington Fire	56½	..
Western Assce.	36½	40
Do., pref.	41	44
Western Life	12	14½
Investment Trust Shares:		
Inv. Found. un.	41½	43½
Sec's. Hold., pf.	17½	20
Th. Can. Inv. Tr.	1½	2½
Theatre Stocks:		
Allen's St. Cath. units	56½	58
Do., Kingston	64½	67½
Do., Toronto, p.	36½	39½
Mansf. Theat., p.	60	66
Para. Kitch. p.	50	..
Do., Oshawa, c.	10	11½
Do., Oshawa, p.	83	..
Power Issues:		
Can. W. N. Gas	26	..
Do., pfd.	103	106½
Gt. Lakes Pr. p.	99½	103½
Int. Util. $1.75 p.	12	..
Do., $3.50 p.	37	..
Mtl. Isl. Pwr. p.	43½	..

Unlisted Mines
Toronto, Mar. 22, 1943

	Bid	Ask.
Algoma C	.18	.21
Adnaron	.30	.34
Albany R	.02	.05
Do., new	.06	.09
Amal Kirk	.07	.08
Anoki	.01½	.02½
Armistice	.35	.39
Area	.06	.07½
Arno	.02	.03½
Arjon	.16	.17
Athona	.01	.02
Bayshore	.24	.26
Arntfield	.00½	.01½
Barb Lard	.03½	.04½
Brengold	..	.02
Brock	.05½	.06½
Clifton C	.32	.33
Can Rad	.03	.05
Central M	.02½	.03½
Cheminis	.03½	.04½

	Bid	Ask.
Columb'e	.25	.28
Cons. Chib.	.05	.07
De Sant n	.04½	.05½
Dona Pat	.01½	.02½
Crowshore	.03	.06
Eastward	.08½	.10½
Gunflint	.23	.26
Goodrock	.09	.11
Hayes Cad	.01½	.02½
Harp Mal	.08½	.09
Hoyle n.	.10	.10½
Hugh P. P.	.02	.03½
Kirk Town	.08½	.11
Laguerre	.07	.11
Lk Geneva	.05	.07
Largold	.16	.17½
Low Pete	..	.43
Mag Con	.24	.28
Metalore	.16	.21
Mid Iron	.31	.33

	Bid	Ask.
Majormie	.41½	.44
Martin B	.04½	.05
Mat Cons	.012	..
McMarm	.14	.16
Moffat H n	.02	.03
Mosher	.07	.08½
McManus	.01	.03
Natl Mal	.21	.23
Naybob	.01	.02
Nick Off	1.00	1.25
Newbec	.01	.02
Norbeau	.21	.24
Nor Tin	.17	.20
Oklend	.04	.05
O'Lea Mal	.03½	.04½
Opemiska	.04	.07
Orpit	.02½	.03
Pascallis	.23	.25
Pelangio	.02½	.03½
Pon Rou o	.05½	.07½
Pt. Cold	.27	.30

	Bid	Ask.
Propri'y	5.40	5.75
Presdor	.02½	.03½
Que Man	.24	.26
Rand Ma.	.13	.15
Rebair	.37	.40
Ritoria	.02	.03½
Rhyolite	.01½	.02½
S.A.G.A.	.10	.25
Rou D'Or	.10	.12
Sheldon	.10	.12
Springer	.19	.22
Stadacona	.10	.13
Tombil	.06	.11
Tom Iron	.61	.66
Thoms L	.11	.14
Tungold	.14	.16
Union Min	.03½	.04½
Uchi	.01	.02
Wesley	.02½	.03½
Yg David	.19	.22
Vic Ore	.21	.24

OIL ROYALTIES
Producing Wells — Prices and Payments

	Mar. daily quota bbls.§	Feb. daily quota bbls.§	Nov. pay. 1% $	Dec. pay. 1% $	Jan. pay. 1% $	Total to Jan. 31 1% $	Offering price* per 1% $
Ace No. 1 gross	465	465	225.33	195.46	169.70	4,363.63	....
Alta. Oil Inc. No. 1 gr.	88	88	52.40	42.40	33.20	3,645.20	....
Do., No. 1 net	88	88	42.40	33.60	26.00	4,118.80	....
Do., No. 2 gr.	380	380	186.40	198.00	168.00	4,558.00	6,300
Do., No. 2 net	380	380	131.20	137.20	118.40	6,169.80	4,300
Allied No. 1 pfd.	93	93	34.74	41.60	37.31	1,565.25	1,500
Arrow No. 1 net	135	135	25.00	39.00	34.00	841.15	1,200
Do., No. 2 net	170	170	53.00	50.00	55.00	1,615.20	2,000
Atlas-Br. D. No. 2 pfd.	490	490	221.20	204.40	223.20	2,696.40	6,500
Atlas-Br. D. No. 3 pfd.	500	500	....	....	....	......	6,700
D. & D. net pfd.	75	75	28.00	28.00	28.00	1,893.80	1,000
East Crest No. 5	125	125	50.00	48.00	56.80	441.20	1,900
Independent No. 1 p.	200	200	....	99.79	97.02	......	3,400
Do., No. 1 gr.	200	200	93.97	85.03	82.40	2,301.58	....
Major Oil No. 1 pfd.	104	104	47.20	35.20	47.60	750.80	1,300
Do., No. 1 gr.	104	104	49.50	43.60	50.40	1,657.40	....
Do., No. 2 net	450	450	164.00	165.60	155.20	4,818.80	5,300
Do., No. 2 gr.	450	450	223.29	236.00	218.40	6,271.20	....
Do., No. 3 net	733	733	246.80	256.40	259.60	6,506.40	7,800
Do., No. 3 gr.	733	733	356.00	352.00	354.80	......	....
Do., No. 4 net	125	125	48.00	61.60	....	†2,158.80	2,600
Do., No. 4 gr.	125	125	62.80	50.00	81.60	3,528.00	....
Do., No. 7 pfd.	500	500	275.00	246.40	271.20	1,058.00	7,000
Do., No. 7 dfd.	500	500	....	....	....	......	4,200
Do., No. 7 gr.	500	500	261.60	216.40	248.00	1,750.80	9,000
Do., No. 8 pfd.	315	315	146.80	148.40	132.00	427.20	4,000
Do., No. 8 gr.	315	315	132.80	130.00	118.80	910.00	5,000
Do., No. 8 dfd.	315	315	....	....	....	......	1,500
Do., No. 9 gr.	350	350	153.60	151.60	147.60	1,313.80	....
Do., No. 9 pfd.	350	350	....	....	72.40	72.40	4,900
Do., No. 9 dfd.	350	350	....	....	....	......	1,800
Miracle No. 1 net	355	355	121.54	96.04	122.91	4,923.54	3,800
Do., No. 1 gr	355	355	180.80	101.74	167.08	4,975.42	6,000
Do., No. 2 pfd.	220	220	141.16	156.19	....	......	3,100
Do., No. 2 gr.	220	220	120.40	137.40	62.80	1,042.92	4,100
Northclonmel No. 1 gross	...	....	....	....	....	......	6,300
Northclonmel No. 1 pfd.	...	....	....	....	....	......	2,700
Northclonmel No. 1, dfd.	...	....	....	....	....	......	1,500
Renown No. 1 pfd.	85	85	39.69	37.04	33.54	322.88	....
Winalta No. 1 pfd.	80	80	21.20	27.60	....	†3,489.10	900

*Approximately 25% over dealers' bid prices. §Approximate. †To Dec. 31 only.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	9,474	$2,300
Bonaventure gross	9,474	5,600
Maryland pfd.	7,578	*4,375
Major Oil No. 6 pfd.	8,022	4,300
Major Oil No. 6 gr.	8,022	7,000
Miracle No. 3 pfd.	7,950	4,500
Miracle No. 3 gr.	7,950	7,100
Northclonmel No. 1 pfd.	8,949	2,300
Northclonmel No. 1 dfd.	8,949	1,000
Northclonmel No. 1 gr.	8,949	3,700
Northend No. 2 pfd.	6,450	....
Northend No. 2 gr.	6,450	....
National Vulcan No. 1	7,981	*4,375
Empire pfd. (Ont.)†	....	*1,100
Kinsella Ltd.†∆	....	*2,100

*Pegged price. †Acreage royalty. ∆Carries stock bonus.

STOCKS NOT TRADED THIS WEEK

[illegible]

Annual Meetings

[illegible]

Supplementary Stock Quotations
(Furnished by Plaxton, McDonnell & Co., Toronto)

Showing Bid and Asked at Mar. 23, and changes in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. Thea., pfd.	53	56	—½
Atlas Steels 7% 2nd pf.	106	107½	..
Brantford Roofing, c.	2½	3½	—½
[illegible]			
St. John Dryd. 5½% pf.	96	99	—½
Sincennes McN. com.	1.85	..	..
Supertest Pete. 6% pf.	26	27½	—½
Tip Top Tailors Inc. un.	5½	7½	..
Un. Farmers Co-op.	3½	3½	+½
West. Can. Hydro pf.	11½	12½	—½
Windsor Hotel, com.	2½	3½	—½
Woods Manfg. com.	5½	6½	..

*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds
(Supplied by Investment Dealers' Association of Canada)

[illegible]

Corporation Bonds (Cont'd)

[illegible]

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.73	$11.87	$9.77
Hogs	17.26	17.22	15.31
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2190	.2186	.2024
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	.99¾	.97⅝	.78⅝
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.2	102.9	97.1
Dow Jones (fut.)	91.92	91.23	86.60
Wood, Gundy	80.5	80.2	76.7
Fishers	111.6	111.3	103.6
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)	116.9	117.1	115.7
W'sale (Feb.)	97.5	97.1	94.6
U. S. (Jan.)	101.9	101.0	96.0
Gt. Brit. (Dec.)	161.5	161.0	155.0

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Municipal Bonds
March 23, 1943

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.95
Montreal	5	1945	96.00	99.00	*
Ottawa	4½	1945	104.00	105.50	2.07
†Quebec	5	1959	113.50	116.50	3.64
Saint John	5	1960	105.00	108.00	3.83
†Toronto	4½	1955	119.00	122.00	2.35
†Vancouver	5	1970	107.50	110.50	4.34
Winnipeg	5	1944	100.00	103.00	1.95

†Payable Can. & N.Y. *Flat.

Weekly Bank Clearings

	Mar. 18 $	Change Year ago %	Mar. 11 1942 $
Halifax	4,324,960	+10.1	5,581,394
Saint John	2,412,340	+5.1	2,378,037
Moncton	1,002,496	—1.4	1,052,126
Sherbrooke	1,100,923	+33.0	791,022
Quebec	5,424,276	—3.2	4,438,610
Montreal	145,854,296	+13.2	115,946,516
Ottawa	49,457,003	—44.0	98,138,509
Kingston	752,136	+6.5	704,862
Peterborough	883,438	+10.3	703,164
Toronto	154,017,903	+11.9	132,125,173
Hamilton	6,968,849	—6.7	5,708,913
St. Catharines	1,436,858	+3.6	1,098,204
Kitchener	1,350,202	—0.6	1,048,553
Brantford	1,286,689	+21.7	1,064,755
London	3,085,235	+12.0	2,814,831
Chatham	745,050	+14.6	739,025
Windsor	4,697,347	+21.0	3,452,161
Sarnia	744,344	+23.4	674,935
Sudbury	851,010	+4.3	940,560
Fort William	954,904	—27.9	1,031,429
Winnipeg	55,388,166	+55.0	63,199,443
Brandon	402,880	—4.6	418,991
Regina	4,819,568	+26.1	4,228,259
Moose Jaw	797,999	+4.3	708,943
Saskatoon	1,721,556	+10.4	1,691,635
Prince Albert	575,199	—13.7	479,751
Edmonton	6,893,694	+17.7	6,463,855
Calgary	6,004,344	+15.2	6,420,248
Lethbridge	712,667	+19.7	767,262
Medicine Hat	321,348	—10.8	345,582
N. W'minster	751,921	—3.5	853,696
Vancouver	26,334,946	+29.0	26,422,848
Victoria	2,138,321	+17.4	1,994,318

Bond Tenders

5 p.m. Apr. 5, Parish of St. Colomb of Sillery, P.Q.—$45,500, dated May 1, 1943, redeemable in series within 30 years, renewable in 15 years, at 3½ per cent; $20,000 will be redeemable in first 14 years and $25,500, payable in 1958. C. Langlois, sec.-treas.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Nat. Light & Pr.	∆6%	1949	Apr. 1	102
Victoriaville Furn.	6%	1951	Apr. 1	102
Nat. Grocers	•4%	1947	Apr. 1	102½
Saguenay Pr.	*4½	1966	Apr. 1	102
Can. Pac. Rly.	3%	1945	Apr. 1	102
Econ. Inv. Tr.	5%	1957	May 1	102½
Un. Grain Gr. B.	5½%	1949	May 1	102
Do. (C)	4½%	1949	July 2	103
Do., (A)	5%	1948	July 2	101
Gen. St. Wares	4%	1945	Apr. 15	101½

∆A & B. •$500,000. *$36,000.

Stock Issues:	Rate		Due	Price
Para. Pict.	6%	1st pf.	Apr. 1	part
Can. For. Inv.*	‡8%	Pref.	Apr. 1	105
Assoc. Brew.	∆7%	Pref.	May 29	110

†Plus accrued dividend. ∆500 shs.
‡Subject to approval FECB. *1,809 sh.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.73	2.99
Can. Int. Trust	4.25	4.75
Can. Invest. Fund	3.60	3.95
Can. Investors	5.00	...
Corp. Investors	5.80	6.25
Trans-Canada	10.40	11.30

Standard Radio's earnings for the year ending March 31, 1943, are expected to approximate the 50 cents a share reported for the preceding year, it is understood. The company pays 40 cents a share annually in dividends. It is a holding company formerly known as Rogers-Majestic Corp., owning radio Station CFRB, Toronto.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass, pf.	1.75	Apr. 1	Mar. 15
Asbestos Corp.	.20	Mar. 30	Mar. 1
Do., bonus	.10	Mar. 30	Mar. 1
Assoc. Brew., c.	.25	Mar. 31	Mar. 10
Do., pref.	1.75	Apr. 1	Mar. 10
Amer. Cyan. A B	†.15	Apr. 1	Mar. 12
Do., pref.	†.12½	Apr. 1	Mar. 12
Aluminum, pref.	1.25	May 1	Apr. 1
Bathurst Pr. & P., A	.25	June 1	Apr. 30
Brant Cordage, p.	.32½	Apr. 15	Mar. 20
Brit. Amer. Assur.	■1.50	Apr. 1	Mar. 27
B.C. El. P. & Gas p.	1.50	Apr. 1	Mar. 20
Buff. Ankerite	.05	Apr. 6	Mar. 23
Building Prod.	.15	Apr. 1	Mar. 15
Beatty Bros. (A)	.25	Apr. 1	Mar. 15
Bell Telephone	2	Apr. 15	Mar. 23
Brazilian Tr., pfd.	1.50	Apr. 1	Mar. 15
Bk. Nova Scotia	2.50	Apr. 1	Mar. 16
Bralorne M.	■.20+.10	Apr. 15	Mar. 31
Brewers & Dist.	■.50	May 20	Apr. 20
Do., bonus	■.10	May 20	Apr. 20
Brit. Amer. Oil	.25	Apr. 1	Mar. 5
B.C. Power (A)	.50	Apr. 15	Mar. 31
Burlington Steel	.15	Apr. 1	Mar. 10
Belding Cort.	1	Apr. 1	Mar. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Blue Ribbon, pfd.	.62½	May 1	Mar. 31
Caldwell Linen, pref.	.37	May 1	Mar. 31
Do., 2nd pref.	.20	May 1	Mar. 31
Can. Marconi	.04	June 1	Apr. 15
Canada Bread, pfd.	1.50	Apr. 1	Mar. 15
Do., (B), pref.	.62½	Apr. 1	Mar. 15
Calgary & Edm.	■.05	Apr. 15	Mar. 13
Canada Life	5	Apr. 1	Mar. 31
Cariboo Gold	■.02	Apr. 1	Mar. 8
Chartered Trust	1	Apr. 1	Mar. 15
Comm. Alcohols	.05	Apr. 15	Mar. 31
Do., pref.	.10	Apr. 15	Mar. 31
Corr. Paper Box, p.	1.75	June 1	May 17
Do., arrears	7	June 1	May 17
Can. Cottons	1+2	Apr. 1	Mar. 5
Do., pref.	1.50	Apr. 1	Mar. 5
Can. For. Invest., c.	■.70	May 1	Apr. 1
Canada Iron, pfd.	3	Apr. 15	Mar. 31
Can. Canners	.12½	Apr. 1	Mar. 15
Do., 1st pref.	.25+.05‡	Apr. 1	Mar. 15
Do., 2nd pref.	.15+.05‡	Apr. 1	Mar. 15
Can. Steamships, p.	2.50	Apr. 1	Mar. 20
Can. Bk. Commerce	1.50	May 1	Mar. 31
Can. Dredge & D.	1	May 1	Apr. 1
Canada Bud	.10	Apr. 1	Mar. 15
Canadian Car, pfd.	.44	Apr. 10	Mar. 20
Can. Nor. Power	.15	Apr. 26	Mar. 19
Do., pref.	1.75	Apr. 15	Mar. 19
Canada Cycle	.30	Mar. 31	Mar. 12
Do., pref.	1.25	Mar. 31	Mar. 12
Carnation, pfd.	†1	Apr. 1	Mar. 19
Can. Gen. Ins.	5	Mar. 31	Mar. 15
Can. Celanese	.25+.25	Mar. 31	Mar. 15
Do., pref.	1.75	Mar. 31	Mar. 15
Do., partic.	.94	Mar. 31	Mar. 15
Can. For. Invest. pfd.	■2	Apr. 1	Mar. 1
Can. Tube&Stl. pd.	■1.75	Mar. 31	Mar. 24
Can. Breweries, pf.	.85	Apr. 1	Feb. 27
Can. Converters	.50	Apr. 30	Mar. 15
Cockshutt Plow	.25	June 1	May 15
Can. For. Inv., pd.	■2	Apr. 1	Mar. 1
Can. Perm. Mtge.	2	Apr. 1	Mar. 15
Can. Gen. Elect.	2	Apr. 1	Mar. 12
Can. G. Inves.	■.12½+.12½	Apr. 15	Mar. 31
Can. Indust. A B	1.25	Apr. 30	Mar. 31
Do., pref.	1.75	Apr. 15	Mar. 31
Can. Silk Prod., A	.37½	Apr. 1	Mar. 15
Cent. Can. Loan	2	Apr. 1	Mar. 20
Cons. Bakeries	.15	Apr. 1	Mar. 10
Cons. Sand. pref.	4	Mar. 30	Feb. 27
Cent. Pat. Gold	.03	Mar. 29	Feb. 27
Chesterville L. L.	.03	Apr. 15	Mar. 10
Canada Packers	1	Apr. 1	Mar. 15
Candn Oil, pf.	2	Apr. 1	Mar. 19
Can. Wire Box (A)	.37½	Apr. 1	Mar. 10
Do., arrears	.12½	Apr. 1	Mar. 10
Can. West'house	■.50	Apr. 1	Mar. 17
Celan. of Amer.	†.50	Mar. 31	Mar. 16
Do., 5% pref.	†1.25	Apr. 1	Mar. 16
Do., pr. pref.	†1.75	Apr. 1	Mar. 16
Do., 2nd pref.	†1.75	Apr. 1	Mar. 16
Crown Cork	.50	May 15	Apr. 15
Consumers' Gas	2	Apr. 1	Mar. 15
Collingwood Term.	.25	Apr. 20	Mar. 31
Do., pref.	.25	Apr. 20	Mar. 31
David & Frere A	.25+.15	Mar. 31	Mar. 15
Dominion Bank	2	May 1	Apr. 15
Dominion Glass	1.25	Apr. 15	Mar. 15
Do., pref.	1.75	Apr. 15	Mar. 15
Dominion Tar, p.	1.37½	May 1	Apr. 1
Dom. Textile	1.25	Apr. 1	Mar. 5
Do., pref.	1.75	Apr. 15	Mar. 15
Dom. Foundries	.25	Apr. 1	Mar. 10
Distillers Seag., p.	†1.25	May 1	Apr. 15
Dairy Corp., pfd.	•1.25	Apr. 1	Mar. 15
Dome Mines	■.40	Apr. 20	Mar. 19
Econ. Inv. Tr.	1.27½	Apr. 1	Mar. 1
East. Can. Savings	1.50	Apr. 1	Mar. 20
Eastern Steel, pf.	.25	Apr. 1	Mar. 15
Eastern Trust	2	Apr. 1	Mar. 20
Fanny Farmer	†.37½	Apr. 1	Mar. 15
Federal Grain, p.	▲2	May 1	Apr. 15
Ford Motor A, B	.25	Mar. 27	Mar. 8
Foundation Co.	.35	Apr. 22	Mar. 31
Gatineau Pwr.	.15	Mar. 31	Mar. 1
Do., 5% pref.	1.25	Apr. 1	Mar. 1
Do., 5½% pref.	1.37	Apr. 1	Mar. 1
Greening Wire	.15	Apr. 1	Mar. 1
Gt. West Sadd., pfd.	.75	Apr. 5	Mar. 5
Do., 2nd, pref.	.75	Apr. 5	Mar. 5
Gt. West Life	3.75	Apr. 1	Mar. 20
Gen. Steel Wares, c.	.25	Apr. 1	Mar. 15
Goodyear Tire	.62	Apr. 1	Mar. 15
Do., pref.	.62½	Apr. 1	Mar. 15
Gt. Lakes Power, pf.	1.75	Apr. 15	Mar. 31
Gould Pumps, p.	†1.75	Apr. 2	Mar. 22
Gt. Lakes P., p. A, B	.25	Apr. 2	Mar. 23
Hamilton Cotton	.10	Apr. 1	Mar. 15
Do., pref.	.50	Apr. 1	Mar. 15
Ham. Un. Theat., pf.	1.25	Mar. 31	Mar. 15
Hinde & Dauch	.25	Apr. 1	Mar. 5
Honey Dew	.50	Apr. 1	Mar. 15
H. Smith Paper, pf.	1.50	Apr. 15	Mar. 31
Howe Sound	†.75	Mar. 31	Mar. 22
Hunts A. B.	.50	Apr. 15	Mar. 31
Huron & E. Mtge.	1%	Apr. 1	Mar. 15
Imperial Tob., ord.	.10	Mar. 31	Mar. 5
Do., final	.15	Mar. 31	Mar. 5
Do., pref.	3%	Mar. 31	Mar. 5
Imperial Bank	2	May 1	Mar. 31
Indust. Accept., pfd.	1.25	Mar. 31	Mar. 1
Inter. Milling	†1.25	Apr. 15	Mar. 26
Inter. Nickel, c.	†.50	Mar. 31	Mar. 1
Do., pfd.	1.75	May 1	Apr. 1
Inter. Paper, pref.	†1.25	Mar. 30	Mar. 19
Inter. Power, pfd.	1.75	Apr. 1	Mar. 10
Imperial Life	3.75	Apr. 1	Mar. 31
Invest. Found., pf.	.75	Apr. 15	Mar. 15
Inter. Bronze	■.20	Apr. 15	Mar. 15
Do., pref.	■.37½	Apr. 15	Mar. 15
Jam. Pub. Serv.	.17	Apr. 1	Mar. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Kerr-Addison	.05	Apr. 28	Mar. 30
Kirkland L. G.	.02	May 4	Apr. 1
Langley's pref.	■.50	Jun. 11	Jun 3
Do.,	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Landed Banking	1	Apr. 1	Mar. 15
Lang, John A.	.17½	Apr. 1	Mar. 10
Do., extra	.30	Apr. 1	Mar. 10
Marcus Loew's, pfd.	1.75	Mar. 31	Mar. 10
Modern Containers	.30	Apr. 1	Mar. 20
Do., pref.	1.37½	Apr. 4	Mar. 20
Maritime Tele.	.17½	Apr. 15	Mar. 20
Do., pref.	17½	Apr. 15	Mar. 20
Moneta Porc.	.02	Apr. 15	Mar. 22
McColl-Front., p.	1.50	Apr. 15	Mar. 31
McIntyre Porc.	.55½	June 1	May 1
Moore Corp.	.55½	Apr. 1	Mar. 10
Do., A, B, pref.	†1.75	Apr. 1	Mar. 10
Murphy Paint	.20	Apr. 1	Mar. 15
Do., pref.	1.37½	Apr. 1	Mar. 15
Mtl. L. H. & P.	.37	Apr. 30	Mar. 31
Mtl. C. & D. Bk.	3	Apr. 1	Mar. 15
Montreal Tele.	■.48	Apr. 15	Mar. 25
New Eng. Pr., ppf.	†1.00	Apr. 1	Mar. 20
Do., 2nd pref.	†.33⅓	Apr. 1	Mar. 20
Nat. Biscuit	†.30	Apr. 15	Mar. 12
Nat. Grocers, pfd.	.37½	Apr. 1	Mar. 15
Nat. Breweries	.50	Apr. 1	Mar. 4
Do., pref.	.44	Apr. 1	Mar. 4
Nat. Steel Car.	.50+1.00	Apr. 15	Mar. 15
Negus Mines	.02½	Mar. 29	Mar. 10
N.S. Lt. & Pr. ord.	1.50	Apr. 1	Mar. 13
National Trust	2	Apr. 1	Mar. 20
Niag. W. Weav.	.25	Apr. 1	Mar. 16
North Star Oil, pf.	.08¾	Apr. 1	Mar. 13
Nor. Ont. Power, c.	.12	Apr. 26	Mar. 31
Ont. Loan & Deb.	1.25	Apr. 1	Mar. 15
Ogilvie Flour, c.	.25	Apr. 1	Feb. 26
Ottawa Elec. Rly.	.50	Apr. 1	Mar. 1
Ottawa L. H. & Pr.	.15	Apr. 1	Feb. 17
Do., pref.	1.25	Apr. 1	Feb. 17
Ont. Silknit, pfd.	1	Apr. 15	Mar. 31
Ont. Steel Prod.	.25	May 15	Apr. 15
Do., pref.	1.75	May 15	Apr. 15
Prov. Paper, pref.	1.75	Apr. 1	Mar. 15
Page Hersey	1.25	Apr. 1	Mar. 15
Penmans	.75	May 15	Apr. 15
Do., pref.	1.50	May 1	Apr. 1
Perron Gold	■.04	Mar. 31	Mar. 1
Preston E. Dome	.05	Apr. 15	Mar. 15
Para. Pictures	†.30	Apr. 1	Mar. 18
Do., pref.	†1.50	Apr. 1	Mar. 18
Power Corp., pfd.	■1.50	Apr. 15	Mar. 19
Do., 2nd pref.	■.75	Apr. 15	Mar. 19
Price Bros., pref.	1.37½	Apr. 1	Feb. 26
Porto Rico Pwr., p.	1.75	Apr. 1	Mar. 10
Premier Gold	.01½	Apr. 15	Mar. 15
Proprietary M.	.05	May 6	Apr. 5
Quebec Power	.25	May 25	Apr. 19
Regent Knit, c.	.25	Apr. 15	Mar. 15
Regent Knit, pfd.	.40	June 1	May 1
Do.,	.40	Sept. 1	Aug. 2
Do.,	.40	Dec. 1	Nov. 2
R. S. Mills, A	.50	Apr. 1	Mar. 9
Remington Rand	†.25	Apr. 1	Mar. 10
Do., pref	†1.12½	Apr. 1	Mar. 10
Russell Ind.	.20	Mar. 31	Mar. 12
Do., pref.	1.75	Mar. 31	Mar. 12
Shawinigan W.	.22	May 25	Apr. 19
Sheep Creek G.	.04	Apr. 15	Mar. 31
Silbak Prem. M.	.04	Apr. 26	Mar. 26
Simpsons, pref.	1.62½	May 1	Mar. 31
San Antonio G.	.07+.03	Apr. 15	Apr. 1
Stand. Fuel, pref.	1	Apr. 1	Mar. 15
Sherwin Wms.	.15	May 1	Apr. 15
Do., pref.	1.75	Apr. 1	Mar. 15
Simon & Sons	.15+.15	Mar. 29	Mar. 13
Do., pref.	1.75	Mar. 29	Mar. 13
Silverwoods	.20	Apr. 1	Feb. 27
Do., pref.	.20	Apr. 1	Feb. 27
Stand. Radio, A, B	.10	Apr. 10	Mar. 31
Stedman Bros.	.15+.60	Apr. 1	Mar. 20
Do., pref.	.75	Apr. 1	Mar. 20
South Can. Pwr.	.20	May 15	Apr. 20
Do., pref.	1.50	Apr. 15	Mar. 19
Steel of Can.	.75	May 1	Apr. 7
Do., pref.	.75	May 1	Apr. 7
St. Law. Corp., pf. A	.25	Apr. 15	Mar. 22
St. Law. Flour	.35	May 1	Mar. 31
Do., extra	.50	May 1	Mar. 31
Do., pref.	1.75	May 1	Mar. 31
St. Law. Paper, pfd.	.75	Apr. 15	Mar. 22
Sylvanite Gold	.03	Apr. 15	Feb. 22
Sun Life Assur.	3.25	Apr. 1	Mar. 16
South Am. Gold	†.10	Mar. 30	Mar. 22
Tamblyn, G.	.20	Apr. 1	Mar. 12
Do., pref.	.62½	Apr. 1	Mar. 12
Tuckett Tob., pfd.	1.75	Apr. 15	Mar. 31
3rd C. G. I. T.	[illegible] .03	Apr. 15	Mar. 31
Tip Top Tailors	.07½	Apr. 1	Mar. 1
Do., pref.	1.75	Apr. 1	Mar. 1
Tor. Gen. Trusts	1	Apr. 1	Mar. 13
Tor. Mortgage	1.25	Apr. 1	Mar. 15
Traders Fin, pf A	1.50	Apr. 1	Mar. 15
Un. Bond & Share	.10	Apr. 15	Mar. 31
United Fuel, A pfd.	.75	Apr. 1	Mar. 15
Viau, pref.	1.25	Apr. 1	Mar. 20
Wabasso Cotton	1	Apr. 1	Mar. 22
Western Assur., c.	■1.20	Apr. 1	Mar. 27
West. Grocers	.75+2	Apr. 15	Mar. 20
Do., pref.	1.75	Apr. 15	Mar. 20
Weston Geo. c.	.20	Apr. 1	Mar. 5
Weston, Geo., pfd.	1.25	May 1	Apr. 8
West Koot. Pr., pfd.	1.75	Apr. 1	Mar. 15
Wilsil	.25	Apr. 1	Mar. 1
Wr. Hargreaves	.10	Apr. 1	Feb. 25

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. •Initial. ‡Participating. ▲On arrears.

DIVIDEND NOTICES

Imperial Bank of Canada

DIVIDEND NO. 211

Notice is hereby given that a Dividend of two per cent (2%) has been declared for the quarter ending 30th April, 1943, payable at the Head Office and Branches on and after Saturday, the 1st day of May next, to shareholders of record of 31st March, 1943.

By order of the Board.

H. T. JAFFRAY,
General Manager.

Toronto, 10th March, 1943.

SIMPSONS, LIMITED

Preference Dividend No. 49

NOTICE is hereby given that a Dividend of One dollar and sixty-two and one-half cents ($1.62½) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable May 1, 1943 to shareholders of record as at the close of business on March 31, 1943. The transfer books will not be closed.

By Order of the Board.

Frank Hay,
Secretary

Toronto, March 22, 1943

Blue Ribbon Corporation Limited

Notice is hereby given that a dividend of sixty-two and a half cents (62½c) per share on the Preferred Shares of the Company has been declared payable on and after the first day of May, 1943, to holders of record at the close of business on the 31st day of March, 1943.

Dated at Toronto this 15th day of March, 1943.

D. W. LAVERTY,
Secretary-Treasurer.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

6% First Cumulative Preferred Stock

No. 71, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock (Par Value $50)

No. 63, quarterly, 75c. per share. Payable April 15th, 1943, to holders of record at the close of business March 19th, 1943.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, February 26th, 1943.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 28

Notice is hereby given that a Quarterly Dividend of four cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of April, 1943, to shareholders of record at the close of business on the 31st day of March, 1943.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 31st March next.

By Order of the Board.

JAMES ANDERSON,
Secretary.

Vancouver, B.C.,
March 17th, 1943.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 73, quarterly, $1.75 per share, payable April 15th, 1943.

No par value Common Stock

No. 55, quarterly, 15c per share, payable April 26th, 1943, to holders of record at the close of business March 19th, 1943.

L. C. HASKELL, F.C.I.S.,
Secretary.

February 23rd, 1943.

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending March 31st, 1943, payable April 1st, 1943, to shareholders of record at the close of business March 15th, 1943.

By Order of the Board,

E. W. McNEILL,
Secretary.

Dated at Toronto,
February 25th, 1943.

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the By-laws of the Company, the Annual General Meeting of the Shareholders of MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, P.Q., at 12 o'clock noon, on Thursday, the 29th day of April, 1943. This meeting will be held for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 9th day of April, 1943, to the 28th day of April, 1943, both days inclusive.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Montreal, January 26th, 1943.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of twenty-two (22c) cents per share has been declared on the no par value common shares of the Company for the quarter ending March 31, payable May 25 to shareholders of record April 19, 1943.

By Order of the Board,

H. G. BUDDEN,
Secretary.

Montreal, March 22, 1943.

Wheat Market Base Wider

July Future Extends Benefits; Prices Higher

From Our Own Correspondent

WINNIPEG. — Activity on the Winnipeg wheat market has continued. When the July future was put on the board the base of the market was broadened, as it became possible to offer millions of bushels which presumably can be moved to the head of the lakes for delivery in July.

At the same time, the benefit of the market was extended to farmers delivering new wheat in the country. Elevator companies began buying wheat at country points on the basis of July prices, whereas previously all new deliveries had been going to the Wheat Board.

The elevator companies, since the beginning of the crop year, had not been offering to buy in the country those grades of wheat on which the current market has been higher than the Wheat Board basis, because of the probability that their purchases might have to remain in storage in country elevators until after the currently available premiums had disappeared.

The spread between May and July has been less than a full carrying charge, and its narrowness at first seemed to discount the idea that the new buying which has lately come into the market, mainly from United States sources, has been as a hedge against inflation. Presumably buyers with that object in mind would want to place their purchases as far forward as possible, especially when they could do so at a very narrow spread. But there has also been buying on the part of millers, both Canadian and American, who want to be sure of protecting nearby needs, and to be protected against any shortage of deliverable wheat in May, such as might arise from transportation difficulties.

New Market Interest

The new interests which have come into the market during the last two weeks have bought substantial quantities, probably over 40 million bushels. It is generally supposed that most of the sales have been on the part of the Canadian Wheat Board.

Insistent as the demand has been, it seemed remarkable at first sight that it should be sufficient to move the market upward to the extent that has taken place, in view of the tremendous amount of wheat in Canada. However, the congestion of elevators which now exists has acted to give a new element of technical strength to the market.

With all available elevator space in Canada filled with grain, new grain can be put on the market only as fast as other grain is moved out into consumptive channels.

There is a belief that it would be sound to open the October future for trading, to widen still further the base of the market. Probably action in that respect will be delayed as long as there is any uncertainty about the government yielding to pressure to advance the Wheat Board basic price from 90 cents to $1 for the next crop year. But there need be no other reason for delay.

From the delivery standpoint there will be no line of demarcation between the old and the new crop years. Wheat deliveries are restricted now by lack of elevator room, and they will continue on the same restricted basis, without significant change, after another crop is harvested.

Buying from the United States is more insistent for coarse grains than for wheat, but offerings are limited by difficulty of getting railway cars for direct shipments, or for forwarding to the head of the lakes for water transportation when navigation opens.

Farmers can sell oats and barley only when shipments from their local elevators make new deliveries possible. When they do sell, they are able to get only the Canadian ceiling price, while the higher price available in the United States appears to thrust an unnecessary profit on exporters who move the grain across the border.

There appears to be danger that the situation may be so handled as to choke off the promising development of an export trade that has tremendous possibilities for western Canada. The suggestion made, for example, that export profits might be impounded, seems to be based on the idea that all that matters is to prevent profiteering, instead of the useful disposition of a great part of the West's surplus grain.

Reluctance to remove the ceilings apparently is based partly on the fear that western farmers may be tempted by high prices to sell all their feed grains, instead of producing livestock themselves. That fear is considered to be groundless by agricultural experts, who point out that even if prices were much higher for grain, it would still pay to feed it in western Canada, while the largest imaginable export trade, under present difficulties of transportation, would still leave farmers with great quantities of grain which can only be utilized by feeding.

DIVIDEND NOTICES

Federal Grain Limited

DIVIDEND NOTICE

TAKE NOTICE that a Dividend of $2.00 per share on the 6½% Cumulative Preference Shares of the Company, on account of arrears of Dividends, has been declared, payable on May 1st, 1943, to shareholders of record at the close of business on April 15th, 1943.

The transfer books of the Company relating to the said Preference Shares will be closed from the close of business on April 15th, 1943, until the close of business on May 1st, 1943.

By order of the Board.

R. C. Gage, Secretary.

Winnipeg, Manitoba,
22nd March, 1943.

St. Lawrence Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of Twenty-Five Cents (25c) per share has been declared on the issued and outstanding shares of Class "A" 4% Cumulative Convertible Preferred Stock of the Company, payable April 15th, 1943, to shareholders of record at the close of business on March 22nd, 1943.

By Order of the Board.

L. A. TUCKER,
Secretary.

820 Sun Life Building,
Montreal, Que.
March 18th, 1943.

St. Lawrence Paper Mills Company Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of Seventy-five Cents (75c) per share has been declared on the issued and outstanding shares of Preferred Stock of the Company, payable April 15th, 1943, to shareholders of record at the close of business on March 22nd, 1943.

By Order of the Board.

L. A. TUCKER,
Secretary.

820 Sun Life Building,
Montreal, Que.
March 18th, 1943.

Proprietary Mines Limited

DIVIDEND NO. 10

NOTICE is hereby given that a dividend of Five Cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on May 6th, 1943, to shareholders of record at the close of business on April 5th, 1943.

By Order of the Board,

J. INGRAM,
Secretary-Treasurer.

Toronto, Ont., March 19th, 1943.

CANADA MALTING CO. LIMITED

NOTICE

NOTICE is hereby given that the Annual Meeting of the Shareholders of CANADA MALTING CO., LIMITED, will be held at the Mount Royal Hotel, in the City of Montreal, on Thursday, the 29th day of April, 1943, at the hour of 11:30 in the forenoon, to receive and, if thought fit, adopt and approve the Annual Statement and Auditors' Report, to elect directors and appoint auditors for the ensuing year, and to fix the auditors' remuneration, and to transact such other business as may properly come before an Annual Meeting.

By order of the Board,

JOHN P. HEIGHTON,
Secretary.

Montreal, Quebec,
February 22, 1943.

NOTICE to Holders of Share Warrants under the Regulations of the Company Adopted by the Company.

Holders of Share Warrants, in order to vote at the above meeting, must deposit their share warrants with the Toronto General Trusts Corporation, the Transfer Agent of the Company, or with a chartered bank, and receive a voting certificate, which must be produced at the meeting or filed with a proxy before the meeting. Forms for this purpose can be obtained from the Toronto General Trusts Corporation, the Transfer Agent of the Company at its Toronto office or from the office of the Canada Malting Co. Limited, Royal Bank Building, Toronto.

STELCO — The Steel Company of Canada, Limited

PREFERENCE DIVIDEND NO. 127

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending March 31, 1943, payable May 1, 1943, to shareholders of record at the close of business April 7, 1943.

By Order of the Board,

H. S. ALEXANDER,
Secretary.

Hamilton, Canada, March 11, 1943.

STELCO — The Steel Company of Canada, Limited

ORDINARY DIVIDEND NO. 105

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending March 31, 1943, payable May 1, 1943, to shareholders of record at the close of business April 7, 1943.

By Order of the Board,

H. S. ALEXANDER,
Secretary.

Hamilton, Canada, March 11, 1943.

Notice — City of Montreal Consolidated Fund

Registered Stock

The semi-annual interest on this stock will be paid on May 1st, 1943. Transfer books will be closed from the 1st to the 30th April inclusively.

L. ROBERGE,
Director of Finance.

City Hall,
Montreal, 20th March, 1943.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 225

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1943, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st May next, to shareholders of record at the close of business on the 31st March, 1943. The Transfer Books will not be closed.

By Order of the Board,

S. M. WEDD,
General Manager.

Toronto, 12th March, 1943.

The Dominion Bank

Dividend No. 242

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th April, 1943. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of May, 1943, to shareholders of record of the 15th April, 1943.

By Order of the Board,

ROBERT RAE,
General Manager.

Toronto, 11th March, 1943.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1943, to Shareholders of Record at close of business March 15th, 1943.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ont.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

1st April, 1943

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

4th March, 1943.

San Antonio Gold Mines Limited

(No Personal Liability)

Dividend No. 19

Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the Company, payable in Canadian funds, on the 15th day of April, 1943, to shareholders of record at the close of business on the 1st day of April, 1943.

By order of the Board.

M. SNYDER,
Secretary.

Winnipeg,
March 8th, 1943.

Kirkland Lake

Dividend No. 17

A semi-annual dividend of two cents per share on the outstanding capital stock of the Company has been declared payable May 4th, 1943, to shareholders of record April 1st, 1943.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board,

H. F. CASSIDY,
Secretary-Treasurer.

Toronto, March 5th, 1943.

The Business Of Farming

By GORDON L. SMITH

"It is absolutely certain that we shall have to grow a larger proportion of our food at home."

Those words of Prime Minister Winston Churchill in his Sunday broadcast are of vital importance to every Canadian farmer and to every citizen of this Dominion whose welfare is even remotely tied in with Canadian agriculture.

* * *

Dependent on Britain

For almost a century and increasingly more so in the last 25 years, Canadian agriculture has depended on the British market. The bulk of our farm exports, including practically all of our surplus wheat, cheese bacon and fruit go to the British Isles. Without that market and lacking compensation elsewhere our wheat and livestock industries face collapse and with their collapse all other branches of farming would also suffer, because when one line is hit invariably producers turn to the others.

* * *

British Food Sources

Before the war Great Britain produced about one third of her food requirements. The remainder was largely imported from Denmark and a few other countries of Europe and Canada, New Zealand, Australia, the Argentine and the United States. Though exact figures are not made public it is believed that at the present time Great Britain is growing about two thirds of her domestic civilian requirements. The balance, of course, is now being largely supplied by Canada and the United States and the Argentine helping to the extent of limited shipping facilities.

Some supplies may also be coming from New Zealand and Australia but here again shipping difficulties would be encountered and in any case more and more of domestic production in those countries will be needed to feed the substantial American forces stationed there.

* * *

New Supply Created

Mr. Churchill's food statement, of course, is only significant in regard to postwar development. At present Britain is anxious and eager to take every surplus pound Canada can produce. Indeed it is going to be exceedingly difficult to maintain the present rate of exports of dairy and meat products and only through rationing our own population can we hope to do so. But after the war and old shipping lanes are restored, what is going to happen?

Britain, through speeding up of her own agriculture, has been able to replace a great deal of the food formerly imported from Denmark and the rest of Europe, and also from distant Argentina, Australia and New Zealand. The balance has been made up by a huge increase in imports of concentrated food—meat, dairy, and poultry products—from Canada and the United States.

Postwar Clash?

Now if Britain, after the war, continues to her present increased food production, and this is quite possible, and if Canada continues present production which is also quite possible, then, unless there is a considerable rearrangement of trade, there will be a clash with the renewed food exports from Denmark, the Argentine, Australia and New Zealand.

Some may wonder about Denmark and other European surplus food producers and argue that, as they do not seem to be able to feed themselves now, how can they hope to enter the picture after the war. They may also argue that the people who are eating surplus food production in Australia and New Zealand may do the same thing following the war even if this food has to follow them to their homes after demobilization. But the situation is not just as simple as that. There are two factors that the argument completely overlooks.

Today in a world armed to the teeth there are tens of millions of men who are producing nothing but are eating more food than they ever ate before. After the peace a great many of these men will return to farming and food production.

* * *

Denmark is Food Factory

Again while we have a shortage of such concentrated foods as dairy and poultry products and meats, we still have a surplus of grain. Witness the elevators crammed to the eaves with wheat and other grain in Canada. And this condition applies also to a considerable extent in the United States, the Argentine and Australia.

Normally much of this surplus grain would find its way to Denmark and other agricultural countries of Europe where the farmers would manufacture it into meat, dairy products and eggs. The Danes were simply food factory operators. They took the raw materials in the form of cheap grains from the western hemisphere and cheap fertilizer from the industrial plants of their own continent and through the medium of specially bred livestock and well run farms, turned these materials into food. Now the cheap grain is cut off and the fertilizer is going into munitions. As a result we have the fantastic and tragic spectacle of some of the best farmers in the whole world faced with starvation.

* * *

A Peace Problem

These words, of course, are not being written with the intention of stirring up farm protests to Britain's Prime Minister. Mr. Churchill and British farmers have a perfect right and probably the best of reasons for increasing food production now and in the future to the very utmost. The point is that this production, plus our own and our competitor's vast increases all adds up to a huge postwar problem that must be taken into account when the terms of peace are being settled.

Wheat Prices

Winnipeg Grain Futures

Week of Mar. 22, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Mar. 22
		Wheat			
1.00⅝	.91⅜	May ...	1.00⅝	.98⅞	1.00⅜
1.01⅜	.96⅜	July ...	1.01⅜	.99⅝	1.00⅞
		Oats			
.51½	.45⅝	May ...	*.51½	.51½	.51½
.51½	.47⅝	July ...	*.51½	.51½	.51½
		Barley			
.64¾	.62⅝	May ...	*.64¾	.64¾	.64¾
.64¾	.62⅝	July ...	*.64¾	.64¾	.64¾
		Rye			
.66⅝	.56¼	May ...	*.66⅝	.66⅝	.66⅝
.66⅝	.65	July ...	*.66⅝	.66⅝	.66⅝

* At ceiling.

Cash Quotations

	For Week Mar. 22 High	Low	Prev. Week High	Low
Wheat				
1 Nor.	.99¾	.98¼	.97⅛	.95⅝
2 Nor.	.96¼	.94¾	.93⅞	.91⅞
3 Nor.	.94⅝	.92½	.91⅜	.89¾
4 Nor.	.93⅜	.91⅛	.90⅜	.89
5 Wheat	.90⅛	.88¼	.87⅜	.85
6 Wheat	.89⅝	.87¾	.76⅞	.85
Oats:				
2 C. W.	.51	.50½	.50½	.50½
3 C. W.	.50	.49½	.49¼	.49
Barley:				
1 Feed	.61¼	.61	.61⅛	.61
2 Feed	.60½	.60¼	.61	.60¼
Rye:				
2 C. W.	.65⅝	.65½	.65⅝	.65¼

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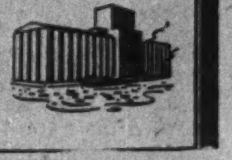

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221 A 8th Ave. W. - Calgary, Alta.
McCallum-Hill Building - Regina, Sask.
411 Avenue Building - Saskatoon, Sask.

EAST MALARTIC — 4,000,000 shares

The Company has been going through a period of adjustment; with the mine likely to regain a normal production and earning basis by early next year.

At present milling 1200 tons daily of $6.22 grade. The 1800 ton milling capacity will hardly be regained before labour conditions improve and government restrictions are removed.

In addition to the ore reserves officially reported as over 2,000,000 tons of close to $7.50 grade, reports indicate that in the developing to the east over the past year, new ore zones of higher than average grade, and over very substantial widths, have been indicated.

East Malartic appears to be one of the substantial tonnage mines of the future.

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What Excess Profits Taxes Should You Pay?

A Series of Articles Dealing With Canada's Most Complex Tax Problem.

Following the series of 20 articles on personal and business income taxes, Mr. Gordon has written a series of articles dealing solely with the problem of excess profits taxes. Comparatively small number of definite Canadian decisions means that many of the interpretations given in this series should be regarded as the result of informed opinion rather than as official rulings.

Mr. Gordon is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939, with one supplement 1937-39 and another to appear next June. Mr. Gordon is also author of "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

Excess Profits of Professional Men

ARTICLE NUMBER FOUR
By MOLYNEUX L. GORDON

The profits of a profession carried on by an individual or by individuals in partnership are exempt [1] from the Excess Profits Tax provided the following conditions are complied with:

1. Profits must be dependent wholly or mainly upon the personal qualifications of the taxpayer;
2. Little or no capital must be employed;
3. Unless a taxpayer is virtually in the position of an employee of one person the exemption shall not be extended to:
   (a) Commission agents;
   (b) Persons, any part of whose business consists in making contracts on behalf of others or giving advice of a commercial nature.

In order to understand this section it is first necessary to define the word "profession."

Originally the professions were divided into three—Divinity, Law and Medicine. As Art and Science developed other pursuits were included. Lord Justice Scrutton states [2] that the word "involves the idea of an occupation requiring either purely intellectual skill, or else manual skill controlled, as in painting and sculpture, or surgery, by the intellectual skill of the operator, as distinguished from an occupation which is substantially the production or sale, or arrangements for the production or sale, of commodities."

These Not Exempted

The courts have held that the following persons were not entitled to exemption:

In England [3] a member of the stock exchange who gave advice in regard to the promotion and reorganization of companies and valued securities for succession duty purposes, because stockbrokers are commission agents and the advice given was of a commercial nature.

[4] A Fellow of the Royal Photographic Society produced photographs of great artistic merit, charging from 8½ to 10 guineas per copy. Notwithstanding the artistic merit of the photographs and the skill of the operator, this taxpayer was engaged in the business of producing commodities for sale and, consequently, taxable.

[5] An expert insurance agent who advised clients as to alterations in their factories necessary to obtain lower rates and superintended construction was taxable because he gave advice of a commercial nature.

[6] In Australia, an herbalist who dispensed prescriptions and gave massage and vapor baths was held taxable for the same reason. Later on [7] Mr. Justice Isaacs, who subsequently became Chief Justice of Australia, held that whatever the meaning of the word "profession" may be the business of a horse trainer could not be included.

In Canada the Income Tax Department has adopted a very liberal interpretation of this word and includes professional athletes, radio entertainers, hairdressers, masseurs and others.

Capital Must Be Small

The language contained in the original section, which was passed in 1940 and follows the wording of the British Act, contains the word "required" instead of the word "employed." The amendment which was passed in 1942 apparently makes a most important change in the liability of the taxpayer.

In England it was held that the language was descriptive and as long as you belonged to a profession in which it was not customary to employ capital you came within the exemption nothwithstanding the fact that you did employ capital. [8] Two schoolmasters invested £19,497 in buying and furnishing a building for the purpose of carrying on a school. The court held that, as they carried on a profession which usually did not require capital, the fact that they actually invested a large amount of capital did not subject them to tax.

In the absence of authority it is safer to assume that, under the Canadian act, if you employ substantial capital you lose your exemption; but the capital must be employed in the business. If you belong to a firm of lawyers or accountants and do not divide all your profits but invest some of them to create a reserve, this money would not be employed in your business and would have no effect on your exemption.

Commission Agents

The exemption does not extend to commission agents. No doubt the reason for this exception is due to the fact that sometimes the profits of a commission agent increase because of war orders and it was felt that such persons should contribute to the cost of carrying on the war. Nor does the exemption apply to any persons whose business consists in part in making contracts on behalf of others.

This is another case where the Canadian act of 1940 followed the wording of the English statute and used the words "persons whose business consists wholly or mainly in making contracts on behalf of others." In 1942 the words "wholly or mainly" were struck out and the words "in part" substituted therefor.

This change may have a most far-reaching effect, because if any part of your business comes within these words the whole of your profits may be subject to excess profits tax. The Department is usually fair and reasonable in dealing with such matters and if a professional man should accept a commission amounting to a few dollars, let us hope that the letter of the law would not be strictly enforced.

How Distinction is Made

Some comfort may be obtained by analyzing this section. The words are "making contracts on behalf of others." There seems to be a wide distinction between the word "making" and the word "arranging," and it is quite possible that the first part of this section only applies to agents such as stockbrokers who actually enter into contracts in their own names on behalf of principals, and the section does not apply to persons who merely bring buyer and seller together.

The second part of the section refers to persons who give advice of a commercial nature in regard to making contracts. It is probable the words "commercial advice" would not apply to lawyers or accountants who advise or draw agreements concerning commercial matters, because this sort of advice would be of a technical and not of a commercial nature.

May Divide Business

In certain cases it may be possible to divide your business into two parts, one of which is entirely of a professional character and the other of a commercial character. A brochure published by the Department in 1941 indicates that a certain latitude is permitted. In that brochure it was stated that the earnings of a golf professional were exempt but the profits from his shop were taxable. The matter is entirely a question of degree. In England [2] it was held that a very popular writer, who subsequently published a magazine the sales of which were mainly dependent upon his contributions, was entitled to separate his business into two parts. A consulting engineer,[9] who in addition to his professional activities manufactured and sold machinery, was permitted to file separate assessments.

When to Incorporate

It has been pointed out in these articles that there are certain types of business which pay considerably more tax if carried on by an incorporated company than if carried on by an individual, and the case of a professional man is a good example, both of the advantage of incorporating a company and the disadvantage of doing so. If an engineer chooses to carry on his business, this company would be subject to Excess Profits Tax notwithstanding the fact that in all other respects it carries on a professional business. It seems quite clear that the corporate entity cannot acquire the necessary learning or experience but has to employ persons with such qualifications, and as an exemption is given to the person carrying on the business a corporation which cannot acquire personal qualifications is not entitled to the exemption.

In England, Mr. Esplen, the well-known naval architect, formed a company to carry on his business. Everybody admitted this company had the same kind of work as is usually performed by a naval architect, but the court held, for the reasons just indicated, that the company had to pay the tax and was not entitled to any exemption.

On the other hand, if an engineer not only practises his profession but also engages in trade by manufacturing and selling machinery to his clients, then he would be well advised to incorporate a company to supply this machinery so that his professional earnings might be free.

REFERENCES

(1) Excess Profits Tax Act, 1940, s. 7 (b); (2) Commissioners of Inland Revenue v. Maxse, (1919) 1 K.B. 647; (3) Christopher Barker & Sons v. Commissioners of Inland Revenue (1919) 2 K.B. 222; (4) Cecil v. Commissioners of Inland Revenue (1919) 36 T.L.R. 164; (5) Durant v. Commissioners of Inland Revenue (1920) 12 T.C. 245; (6) Robbins Herbal Institute v. Federal Commissioner of Taxation (1923) 32 C.L.R. 457; (7) Bradfield v. Federal Commissioner of Taxation (1924) 34 C.L.R. 1; (8) Commissioners of Inland Revenue v. North and Ingram (1918) 2 K.B. 705; (9) Marx v. Commissioners of Inland Revenue (1925) 5 A.T.C. 25; (10) Wm. Esplen, Son & Swainston, Ltd. v. Commissioners of Inland Revenue (1919) 2 K.B. 731.

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Mrs. Lumbers Joins Ad. Association

Mrs. Dorothy Lumbers has joined the executive office of the Association of Canadian Advertisers. Mrs. Lumbers was with the Tandy Advertising Agency since its inception previous to this appointment. She is also a member of the Women's Advertising Club.

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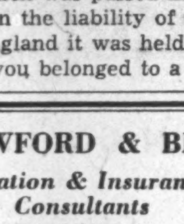

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Montreal Trade Board Opposes Tax Pay Plan

Urge No Taxpayer Pay More in '43 Than Under Old System

From Our Own Correspondent

MONTREAL. — Claiming that the current income tax payment basis was not equitable to all taxpayers, the Montreal Board of Trade has protested to the Hon. J. L. Ilsley, Minister of Finance.

Principal objection of the board is that some taxpayers will have more total taxes to pay during 1943 than if the present system had been continued, while others will pay less because of rebates coming to them as a result of cancellation of half of the 1942 tax.

Limit to Payments

The council in a letter to Mr. Ilsley proposed that these inequalities be corrected by providing that no taxpayer would have to pay more total taxes in 1943—on both 1942 and 1943 incomes—than he would have had to pay if the old system had been continued. Such adjustments would be effected, under the board's proposal, by increasing the amount of 1942 taxes to be cancelled to the extent required to keep total tax collections from any individual in line with the prospective amount he would have had to pay under the former basis.

The board also proposes that at the same time no taxpayer shall be permitted to pay less taxes during the year than he would have if no changes had been made.

Set Out Basis

It is believed the board's proposal could be put into effect by decreeing that taxpayers earning not more than $2,500, regardless of marital status and dependents, need make no final pay-off on 1942 taxes next June. And credits or additional payments resulting in particular cases could be adjusted against the final payment of 1943 income, due next March.

Taxpayers earning above $2,500 would be required to make only such payments in 1942 as would bring total tax payment this year up to the level that was in prospect under the former tax system. Here again some adjustment might have to be made in computing final payment next March.

On the Record

R. W. Harris, public relations director, Household Finance Corp. of Canada, appointed director of management service division, W.P.T.B.

James R. Croft, assistant general manager, Traders Finance Corp., named deputy administrator of services, succeeding M. W. McCutcheon, now administrator.

Leonard A. McKinley, president, Ottawa Estate Board, appointed regional rentals officer for Carleton and Hull counties and a portion of Pontiac county.

E. L. Gauthier, real estate broker and builder, Verdun, named to rentals committee for Quebec and the Maritimes.

Net debt of the Dominion Government from March 31, 1939, to March 31, 1944, is as follows:

1944 (est.)	$9,215,000,000
1943 (est.)	6,307,000,000
1942	4,045,000,000
1941	3,649,000,000
1940	3,271,000,000
1939	3,152,000,000

More than 1,000,000 battledress and 500,000 air force uniforms were made in 1942.

Small arms production in 1942 showed an increase of approximately 1,300% over 1941.

A Corvette takes 375,000 man-hours to build; to build a minesweeper takes 350,000 man-hours.

Staggered hours now affect 325,000 office, factory, and store employees, including 39,000 government employees in Ottawa, in some 28 centres across Canada.

Food purchased for the armed forces is shown in the following table giving the principal commodities purchased in 1942 and 1941.

	1942 tons	1941 tons
Meats	50,000	32,500
Vegetables	80,000	57,000
Bread	33,000	25,000
Butter	7,000	5,000
Coffee and tea	2,000	1,600
Evaporated milk	9,000	6,000
Eggs (doz.)	8,500,000	5,800,000

Ration Coupon Banking Said Working Smoothly

Retailers and Others Adapt Themselves Readily, Say Bankers—New Regulations For Boarding Houses Possible

Ration coupon banking, which came into effect March 1, is working smoothly, according to bankers interviewed by The Financial Post. So far there appears to have been little complaint from either customers or branch banks about the new system.

It has, of course, added materially to the work of the branch staffs and in some cases it has been necessary to take on some additional help.

So far there is nothing definite on the remuneration the government will pay the banks, but it is believed they will be allowed enough to pay operating costs plus a small service fee.

Include Boarding Houses

The banks are finding the system means more work than they had expected, due to the inclusion of boarding houses, small hot-dog stands, etc. This has meant a much larger number of ration authority customers.

Originally the expectation was that ration accounts would be operated only by dealers in the rationed food commodities as well as those having authority to buy a certain quota of foods, such as public caterers, hotels, restaurants and institutions such as residential schools, churches, hospitals.

It is understood some arrangement is being sought to enable smaller quota authority dealers to deal direct with the wholesalers instead of having to go through a bank. They now get a permit to buy a certain quantity of food. They deposit this permit with the bank and then draw cheques against it. Under one proposed plan they would deposit the permit with the wholesaler, who would then deposit it in his account at the bank.

The small quota authority holder would have his credit with the wholesaler Thus the actual number of coupon bank accounts would be reduced as one wholesaler's account would represent a large number of quota authority holders.

Public Co-operates

Coupon banking involves considerable detail, but most customers grasped the idea quickly and can make out their own deposit slips just as they do in making cash deposits.

Contrary to the belief of some, the depositor must open a separate bank account for each commodity —sugar, tea, coffee and butter.

When a buyer wants to replace his stock of any of these commodities he issues a ration cheque to his supplier. The cheques for the different commodities are all different colors, and they are filled in in coupons instead of dollars. No overdrafts are allowed nor can postdated ration cheques be issued.

The retailer receiving coupons from customers must paste them on sheets supplied which he deposits in the bank.

Dealers who have no bank account, if they accumulate a large number of coupons, must take them to a bank and get bank transfer vouchers. They can then endorse these vouchers and give them to their suppliers.

Cotton Operations On Larger Scale

Canadian cotton mills accelerated operations in February, 39,291 bales of raw cotton having been opened during the month, as against 35,083 bales in January.

Normally there is a seasonal upswing in February and the increase in the number of bales opened does not indicate a reversal of the recent downward trend.

HE'S NOT drilling a hole—he's removing air from an air-tight "Cellophane" envelope enclosing a plywood assembly. He'll then push the whole unit into a big oven to fuse the layers of wood and plastic into a light, strong, efficient wing-tip. Moulded plywood is now used extensively in aircraft manufacture — the Mosquito, world's fastest bomber and scourge of the Axis, is essentially of all-plywood construction.

In the moulding process, the plywood shell is fitted against the moulding form and a bag is pulled over the unit and sealed air-tight. The bag is deflated under pressure and the resulting vacuum pulls the veneer strips tightly against the master mould. The assembly is then cooked in an oven at high temperature.

Formerly the bag used to cover the assembly, as depicted above, was made of rubber. When the supply of rubber became critical, the manufacturers of plywood in Canada were faced with a serious problem, if production was not to be hindered. Great credit goes to them for their ingenuity and patience in finally locating a satisfactory substitute which has been proven more efficient than the original rubber. The bag made of "Cellophane" not only permits visual inspection at all times but it also makes more efficient use of the heat involved.

The Canadians engaged in making the "Cellophane" for this and other purposes, are using their experience and technical knowledge gained with this well-known peacetime product to further the Government program of developing substitutes for critical material and conserving much needed man-power.

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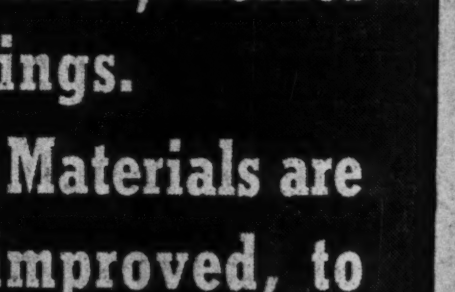

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THE FINANCIAL
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Toronto, March 27, 1943

Expect Guns, Shells and Explosives First to Face Reconversion Problem

Among the first to reach large scale production, it now appears likely that Canada's "firepower" industries will be among the first to face the problems of reconversion

The Nature of the Problem . . . .

Among the greatest of Canada's war achievements, the gun programme which cost some $180 millions of capital and produced $227 millions worth of weapons in 1942 may prove to be one of Canada's first and toughest problems of readjustment.

Within a few brief months after production hit its full stride, the changing forces of war have put an end to "unlimited orders," have definitely placed some weapons on a restricted production basis.

What has happened is that while the need for some implements of war is still unbounded, the "original equipment" of most of the United Nations has now been substantially completed, and much of current production of certain items is now being "stockpiled" against the time when replacements are needed in quantity and when shipping is available to carry the replacements.

Critical Period

Over the next few months, much of Canada's war industry will be the subject of a tug-of-war between these forces tending to reduce output and the possible increase in demand from the fighting fronts. In that unpredictable period the need for reconverting gun, shell and explosive plants to peace production, for re-employing war workers in civilian industries, may be postponed indefinitely or become an immediate "must."

But under present conditions at least one major gun plant is operating at about two thirds of capacity, two others are scheduled to curtail production on the gun they are making, a major cordite plant has laid off 325 employees. Other drastic shifts appear probable.

If they materialize, Canadian industry will get a sample of the postwar problem before the war is over. If the readjustment comes in the gun plants, the problem will be complicated by technical factors.

A case in point is the gun division of Sorel Industries where the big 25-pounders are rolling off the line.

At present, the Canadian Government is the only purchaser of these weapons. They are being rolled off the production lines for our own forces and for "stockpile" but at a considerably slower rate than would be possible if the plant were being run at its ultimate capacity.

Present expectation is that this situation will continue until a change in the war situation accelerates the demand for this gun. In short, Canada will undertake on her own to maintain this organization at about its present strength (but considerably short of capacity) until the ultimate demand picture of the United Nations for these weapons (and the ships to carry them round the world) is available.

At another plant where orders have fallen off, gun barrels will still continue to be made. At still another plant the nature of the operation indicates that a considerable part of the staff and facilities can be switched to production of parts or components for escort vessels.

Technical Problem

The British plan has been to produce guns in big general machine shops which can be diverted to many other jobs at very little expense or difficulty.

Canada, in many instances, has followed the U. S. programme of building guns on a production line basis. This means big, efficient plants which, when once erected and tooled up, can produce guns at great speed and with considerable efficiency and economy.

But once such plants are built it is hard if not impossible to turn them to other uses.

Then again there is the expectation if not the certainty that before the war is finished (perhaps much sooner than now appears likely) these plants will be required to produce full blast again.

That raises the difficult question of what to do meanwhile. If these plants are to be maintained as "shadow" plants how can the manpower and the organization be held together without wasting critical manhours and facilities? What steps should be taken to divert this manpower and these facilities so that they can be most profitably used in the interim?

Last week The Financial Post publicized what may be the most pressing problem to be faced by war industry in 1943, that of partial reconversion to civilian production. Following publication, Donald Nelson, of the U. S. War Production Board, officially confirmed the growing importance of this problem.

In order to ease the readjustment, The Post suggested editorially that early preparation of plans which would avoid wastage of labor and equipment was essential.

Reaction of heads of industry and labor to this suggestion has been generally to the effect that the problem is real and urgent, calls for quick and authoritative action. Some of the replies printed below suggest that with present controls, the problem must be solved by the government agencies now in charge of war production.

The Suggested Solution . . . .

A manufacturer of shell components:

I believe Regional Committees could perform useful work if the Government is in a position to tell such committees what the over-all programme consists of. Two basic principles would have to be agreed on before committees could function effectively. I conceive them to be as follows:

(1) That total requirements of munitions and vehicles be set on a quarterly basis for six months to a year ahead and contractors be assigned work which they can perform most economically.

(2) That committees be consulted about broad policies regarding assignment of remaining munitions' production and with respect to trade agreements which will affect the employment and national economy of Canada and that recommendations made by such committees be given most serious consideration with a proper explanation recorded if responsible ministers decide to ignore sound recommendations.

From experience, I am bound to suggest the above as I feel we have too many committees now whose efforts and recommendations are not being followed, which may be due to good and sufficient reasons but without such reasons being divulged to the committees. Hence, I feel an additional committee dealing with matters of national scope can only be justified if the conclusions arrived at will be used in the interest of the country.

A gun manufacturer:

I entirely agree with you as to the importance of the problem of reconversion of plant and manpower now looming up. You are undoubtedly correct in the opinion that the problem is one that must be dealt with progressively as it arises. The present difficulty is, in effect, the forerunner of the larger general problem of rehabilitation and reconstruction into which it must ultimately merge.

The first requirement is, of course, that the war workers and productive capacity, made inoperative by the changing requirements of strategy, should be reapplied to other direct phases of the war-effort to the maximum possible extent. In so far as this may prove to be impracticable, they should be successively redirected to those forms of normal production or service that will best support the war effort in an indirect way.

But these are self-evident generalities with many obscure and difficult implications. For example, their execution involves prior knowledge as to the nature and extent of revisions in the war production programme, both as to the discontinuance of present production and the inception of new manufactures. Naturally this information is first available in official circles and effective planning is largely contingent upon **priority** of information. Furthermore, it is conceivable that it may frequently be imperative to confine this knowledge to official quarters, at least for some time, for reasons of security.

Ottawa's Job?

Again, it should be recalled that there are a number of officials and agencies in Ottawa whose powers and capacities extend to this problem in some form or degree. The question is essentially one of co-ordination and we have a number of Co-ordinators and, I believe, a joint Committee of these Co-ordinators. Industry is strongly represented in these agencies in the persons of many experienced and proven industrial executives, and, if the fact remains that some centralization of authority may be desirable for the immediate purposes of reconversion, there can be no question as to the availability of competent and informed manpower within the present governmental framework.

For these reasons, I doubt the immediate effectiveness of a lay committee such as you suggest. Obviously the **initiative** in this matter must come from Ottawa. I would go further and suggest that this initiative must necessarily take the form of quite definite directives, since, in my opinion, the problem transcends the scope and powers of any local or regional committee and the motivating information, which may well be secret intelligence, is prior and perhaps exclusive to the government.

Let me assure you that this is not an evasion of responsibility. There will be work for all of us in facing up to this problem. Industry, individually, and collectively, will be heavily involved in giving detailed effect to the general requirements and directions of the government when they are issued. For the present, I believe the major role in the matter, outside government, falls to the press in the arousing and enlightening of public opinion as to the necessity of official action, which will almost inevitably follow. In this, you have already taken the lead.

• • •

A public utility head:

The immediate appointment of a committee representing industrial, labor and government leaders, for the purpose of implementing a "progressive conversion" programme, should, in my opinion, be a vitally important move.

Such a committee could quickly evolve practical suggestions and should be clothed with authority to act, or to contact those with authority to act, without months of red-tape delay.

There is plenty of essential work to be done. The main thing is to get effective action quickly.

• • •

A retail chain executive:

Inasmuch as I know very little about manufacturing, I do not feel qualified to offer any constructive suggestions. It does seem to me, however, that somebody should be busy trying to work out plans for using all the available labor in the production of those kinds of war materials which are absolutely needed. It is my opinion that our greatest shortage is in ships, and if some way could be found whereby part of the shipbuilding could be done by plants other than actual shipyards, why not proceed to do so.

The only other suggestions I have is that if we cannot use all our available manpower in the production of war materials, why not relax to some extent the controls on production of civilian goods. I have always felt that our price control plan is not doing the most effective job. I think that less control and higher sales taxes on non-essentials would contribute both to maintaining on a sounder basis our civilian economy and at the same time would bring in additional revenue to the government. People have their pockets full of money and are going to spend it. They will pay taxes which are buried in the cost of goods with a great deal more pleasure than they will pay income taxes.

• • •

A Nova Scotia wholesaler:

From all the news I can gather from different parts of Canada, the unemployment that we seem to fear in the near future need not be unemployment at all, if those who have to give up positions in industry because the various industrial plants are being closed down, are willing to resume what they were doing before they joined up in the different factories.

I think the greatest trouble is going to be to induce those who lose their present positions to accept other positions that are not as well paid, and this "enforced conversion" is going to be the most difficult problem. I do not think it will be as much trouble to have jobs for the unemployed, as it will be to induce the unemployed to take jobs.

• • •

Secretary of a National Labor Union

Canada's future war effort will suffer greatly due to dislocation of the production front unless immediate steps are taken to bring back to maximum operation and efficiency three most essential home-front industries: coal mining, railroading and farming. The government manpower programme has blundered in its depletion of skilled labor from these major enterprises,

The condition existing in a cordite plant in Manitoba where, since the beginning of the year the services of 500 employees have proved superfluous, is an example of glutted war production of explosives.

In an eastern railroad shop the changing character of the war has necessitated cancellation of a programme of tank and S.P. mounts construction. These are only two small examples but they portend a condition that will become increasingly prevalent across Canada within the next few months. We concur in the idea that a committee representing industry, labor and government, preferably with equal representation for each faction, should be set up at once. The committee should be composed of capable and conscientious citizens, prepared to deal with this vital issue on its merits and to dispense with "politics as usual" in this national emergency.

The specific steps that could be taken in a replacement programme to absorb idle labor and at the same time keep our war effort at the maximum level are: build up the reserve fuel supply; repair and replace transportation facilities to the extent that the necessary metals and manpower can be spared by war production; rehabilitate the farming industry. Where large financial outlays are required to make the changeover from war to home-front production, the industries concerned should be subsidized by the government, if necessary.

To bring these vital industries up to par, it may even be desirable, besides giving them first call on idle labor, that experienced men, miners, railroaders and farmers, who have been drafted for armed service in Canada should be released and returned to their former occupations

• • •

An eastern industrialist:

No individual manufacturer can suggest what detailed steps should be taken to change over this or that particular production because he does not know what raw materials will be available for allocation, nor does he know what prior claims there are on manpower released from war industry. However, it is fairly clear that wherever any industry or equipment is released from manufacturing mechanical equipment it would be desirable to concentrate on equipment or spare parts for the transportation services,

Undoubtedly the strain on the transportation systems of Canada has been unprecedented and any improvement of the supply of replacements and repairs must assist the war effort as a whole. However, without knowing the relative positions of sea transport and land transport emergencies it is impossible for a manufacturer to suggest which has prior claims at the moment.

The same applies to the essential civilian services: it is a question of rationing supplies and the manpower, not finding markets for raw materials or manpower at this time. If it were the latter, the manufacturers would be in a position to offer valuable suggestions, but under present circumstances only those with knowledge of requirements can suggest how the rationing should be carried into effect. For this reason we are doubtful that any committee of industrial and labor leaders would be helpful. If the government authorities, with the knowledge of requirements, will first indicate the needs and the available materials, then we believe labor and industry can readily adapt themselves to the programme.

Production is Now Less of a Problem Than Shipment

Production for Victory

One of a Monthly Series

Report for March — Guns, Shells, Explosives, Chemicals

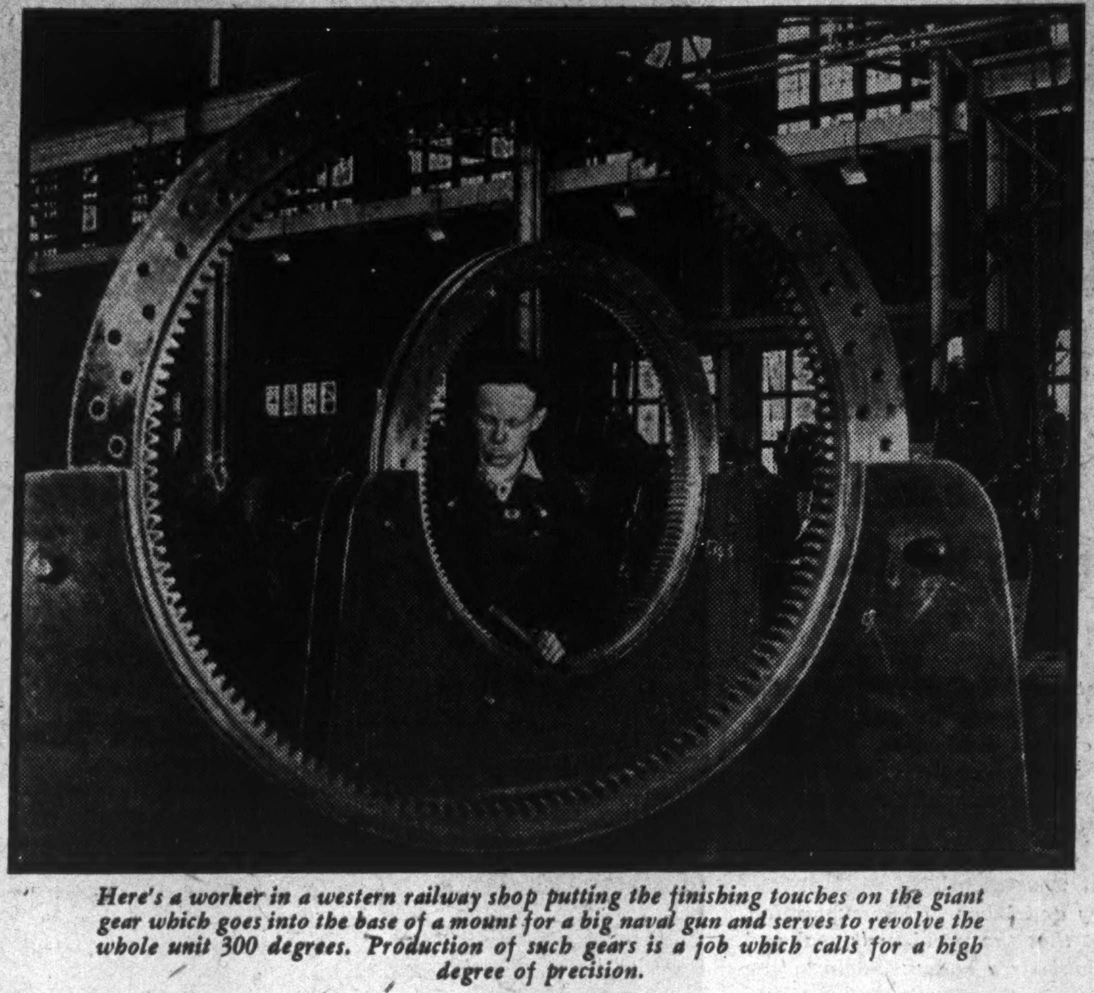
Naval Guns

Guns To Help Deliver The Goods

Canadian Weapons Guard Convoy Life Lines

Canada is turning out large numbers of naval guns, not only to arm the fleet but also to arm merchantmen so they may protect themselves against convoy raiders.

Most of the naval gun programme is being carried out by companies which made the transition from peacetime production. In some cases naval guns are being produced in the same plants as weapons for the other forces. Out of the programme when peace returns will come new capacities. Not least of these will be the new skills and machine working experience given thousands of Canadian workmen.



Here's a worker in a western railway shop putting the finishing touches on the giant gear which goes into the base of a mount for a big naval gun and serves to revolve the whole unit 300 degrees. Production of such gears is a job which calls for a high degree of precision.

Canadian industry has played an important part in arming fighting ships and merchant vessels. Out of plants across the Dominion are coming hard-hitting guns to battle the convoy raider, the submarine and marauding aircraft.

An example of how one part of the job was carried out is provided by the plant of National Railway Munitions Ltd. Located on C.N.R. property, first sod for this huge structure was turned Dec. 25, 1940; production of the first 12-pounder Mark V naval gun was achieved Jan. 3, 1942. This plant was designed by C.N.R. architects and engineers and has some 1,500 workers. Unlike some gun plants this one has a definite place allotted for it in the post-war world. When the gun contracts expire it will be converted for use as a car repair shop for the C.N.R.

Whether any appreciable degree of naval gun producing capacity can be converted to peacetime purposes is often questioned. Chances appear to favor the premise that Canada will maintain a somewhat larger navy than was the case before 1939 and this should provide at least a modest market.

Nine Plants

The finished guns or mounts are turned out by some nine plants located in widely separated parts of Canada. These companies include C.P.R., C.N.R., Dominion Bridge, Dominion Engineering, Canadian Locomotive, Sorel Industries, Trenton Industries, Bata Shoe and Sawyer-Massey. With the exception of Sorel, all these plants have an already established place in ordinary peacetime production.

In most cases, making naval guns represents only a part of the war production programme of these companies. Possibly 6,000 people are directly engaged in the actual production of naval guns and mounts.

Machine Tools

As in other branches of gun production, the naval gun programme has meant the addition to Canada's machine tool capacity of numbers of general purpose machines which should be fairly readily adaptable for less warlike pursuits. What the more specialized tools will be used for remains to be seen, although it is a notable fact that the practice of breaking down a job into the simplest possible parts has tended in some measure to reduce the necessity for tools to do highly complicated jobs.

Added Experience

One important residual item of the programme will be the amount of experience and skill it will leave the workers. Tolerances on naval guns are particularly fine and trimming metal to meet minute dimensions has given Canada numbers of highly skilled craftsmen.

This experience has spread far beyond the comparative handful of plants at which the guns are finally assembled. Production of naval guns involves a broad system of subcontracting, with the result that contracts for some highly intricate parts have been handled by a long list of smaller Canadian companies. Many parts such as sights and gears are very complex and must be done to extremely fine tolerances.

12-Pounder

One of the best known of all Canadian-made naval guns is the 12-pounder. This is designed particularly for merchantmen, thus operates on a simplified basis and has proved its worth many times over in convoy battles.

One of the companies that has turned out mounts for this type of gun is Sawyer-Massey Co. where the workmen take particular pride in the fact that some of the best of their jigs and fixtures were developed from designs worked out by the mechanics in the shop, who were shown what had to be done and allowed to figure out their own methods.

From castings weighing some hundreds of pounds in the rough, the machine operators trim until the finished product is achieved. One of the finest jobs done on the mount is that on the hydraulic cushion-spring recoil mechanism. The hydraulic cylinder in the cradle is bored and honed to an accuracy of one ten thousandth of an inch.

Rail Companies Work

Production and assembly of the 12-pounder has been carried out by the C.P.R. and National Railway Munitions. To the layman one of the most interesting job phases in making this gun is boring the barrel. First operation is rough boring to an opening of 2¼ in., after which comes three more finely detailed boring processes. At the first of these the hole is opened to 2⅝ in., the process taking some 10 hours for the 10-ft.-long barrel. Second boring opens it out to 2⅞ in. and takes some six hours; the final boring takes about eight hours to enlarge the opening to 2.975 in.

That, however, represents only one step of many that are far more complicated and which, in total, require hundreds of operations.

Pointing the necessity for working to fine tolerances is not only the requirement of efficient performance under the toughest of conditions, but also the fact that guns are interchangeable with mounts, and are not brought together until they actually meet upon the ship which is to use them.

With the experience and production skill gained in producing the three-inch 12-pounders, Canadian naval gun manufacturers are now turning to the four-inch weapon. This adds a powerful punch to our corvette fleet.

Anti-aircraft Guns

For naval anti-aircraft work Canada is producing the Vickers 0.5 in. machine gun and the Vickers two-pounder. Production of the first guns of the 0.5 in. type was only recently announced by Ottawa Car & Aircraft. The heavier gun has been under way for some time by Dominion Bridge Co.

The two-pounder Vickers fires a 40 mm. shell at a rate of around 120 rounds per minute. While its manufacture largely requires straightforward machining practice, some idea of the task is indicated by the fact that apart from the barrel and mount, the work of machining the action of the gun involves some 4,000 work sheets, listing operations on about 450 parts.

Over 1,500 gauges and 1,000 jigs and fixtures had to be designed and made to enable production to begin with a large proportion of semi-skilled help, including a great number of girls.

One of the features of this gun lies in the effective way it may be mounted for naval defense in multiple mounts for two, four, or even eight guns. Mounts for such set-ups are also made in Canada.

From Dominion Engineering Works is coming a great flow of Naval Mark VII, Multiple, 2-pounder Pom-Pom gun mounts. This is the famed "Chicago piano" that has sent many an Axis plane to a watery grave. The mounting packs four 2-pounder Vickers and has been called "the most difficult mounting made any place in the world."

Partial basis for that statement is the fact that more than 1,700 parts, totally different in detail, calling for over 6,500 single machining setups, are required for each unit.

Because of the intricate nature of many of the components, much of the machining work required is extremely involved, demanding use of many complicated jigs and fixtures. A considerable amount of the work must, nevertheless, be done free-hand. Results from this have been found entirely satisfactory.

Full advantage has been taken of precision machining to facilitate assembly. Precision limits have to be observed in machining and assembly to assure free-running gears with no backlash. The no backlash condition, required in many items, presented one of the most difficult production problems and was overcome only by maintaining rigid accuracy in generating the gears and precision machining of the gear boxes.

Minimum backlash is one of the great imperatives in this particular unit, as even a small amount of backlash might render the mount unsatisfactory in service.

For easy assembly, the mount has been broken down into 60 subassemblies, which are completed away from the point of final erection, and are individually inspected and approved before proceeding with the general assembly. Subassemblies are fitted to the mount as units and after careful alignment, adjustment and check, the quadruple gun mount is ready for final inspection.

Spread the Work

Single gun mounts for the Vickers two-pounder, as produced by Canadian Locomotive, require similar fine work, tolerances of .001 or .002 in. being common and some parts being held to "no tolerance." This particular plant had an apprentice system functioning at the time it received the single mount contract. This system formed the basis for a well-prepared group which has been turning out large quantities of the mounts.

Another fruitful field in production of this item was found to be the garages, in the rural districts not far away, where mechanics with automotive experience became valued operators, improvers and fitters on gun mounts. In many instances gun mount production in Canada has made use of machine shops which were originally equipped for other products. This has added to our armament output without proportionately adding to the demand for new machine tools.

Twin Mounts

Twin naval anti-aircraft machine gun mounts for the Vickers 0.5 in. gun are turned out by Bata Shoe Co., this representing a considerable achievement for a plant originally intended for shoes and shoe machinery. As with the quadruple mount for the Vickers two-pounder the twin mount for the 0.5 in. machine gun represents a highly complicated job.

The mount is a compact structure carrying five panels of armor plate, with the two guns in a very complex cradle casting, the sights and two armor head plates all linked together so that they may be raised and trained to the required angle and still protect the two gunners who are provided with seats, foot plates and aiming gear, also part of the mount.

The complicated gearing is hand-driven by double cranks, so that the guns may very quickly be brought to bear and kept on the target. Gears are carefully hand-fitted to eliminate backlash completely. Both guns act as a unit, to double the rate of fire, and are fired by pressing a pedal.

As a whole, Canada's naval gun production programme has served further to demonstrate the versatility of Canadian workmen. Almost completely lacking background for this type of work, Canadian industry quickly met the challenge to turn out large numbers of first-rate naval weapons.

Uses Pictures Of Airplanes

Aircraft - recognition Training Branch Values Magazine Illustrations

The Royal Canadian Air Force needs magazines containing pictures of aircraft and wants them right away as an aid in training personnel to recognize different types of aircraft. This branch of training is more important than ever under modern conditions of air-fighting. Said an Air Force spokesman in charge of aircraft recognition training:

"There were only 40 or 50 types of operational aircraft at the beginning of the war. Now, with new types coming off the production lines and more nations coming into the war, there are more than 200 types of airplanes it is essential to recognize in a flash."

By means of an epidiascope, an ingenious projection lantern using mirrors, pictures clipped from airplane journals can be flashed on a screen while lecturers explain the points of recognition. In this way young Canadian fighting men learn to recognize them from every angle and at all distances.

Citizens who have back copies of aeronautical journals, particularly those published in neutral nations which contain pictures of German, Italian, and Japanese aircraft, are urged to mail them to the Director of Air Training, Air Force Headquarters, Ottawa. A single picture in an old magazine may save an airman's life.

The R.C.A.F. can use 10,000 aviation magazines, some for No. 1 Aircraft Recognition School at Rockcliffe, others for aircrew libraries at stations throughout Canada.

Flying Cameramen Have Many Duties

Combat photographic crews have been dispatched to all theatres of operations by the U. S. army air force to make records of its activities.

The work of these camera crews covers a wide range. Some go out with bombers to photograph the results of bomb hits on targets. Others move with air force squadrons to advance bases and take movies and still pictures of air force personnel both in action and in field quarters. Additional crews cover the handling of casualties and the effect of enemy action on our planes, to be sent back for study by the War Department. Primarily, however, these crews obtain technical information for the use of operational headquarters.

This modern London plant of CRAFTOOLS as pictured above is one of the progressive industries producing vital tools for the British Empire Forces.

ON LAND

In far off England, Africa, India, Australia, and wherever our battle fronts may be, these London Made Tools are serving faithfully.

ON THE SEA

Even our Ships use our dependable equipment in their repair shops.

IN THE AIR

Again our rugged tools are standard equipment for the maintenance of our Air Force.

AT HOME

Canadian Industry has endorsed our products so thoroughly as to enable us to become the largest manufacturers of Vises in Canada.

CRAFTOOLS

LONDON CANADA

It Sprays the Bombs that Spray the Axis

Here is the latest development in DeVilbiss science—a spraying booth designed to keep pace with the round-the-clock production of war munitions—to put the finishing touch on the bombs to finish the enemy.

top quality at top speed

PEACETIME EQUIPMENT IN THE WARTIME EMERGENCY

DeVilbiss—maker of the world's foremost paint spraying equipment for cars and gasoline pumps, furniture and machinery—has turned its top-speed facilities to the nation's needs in arsenals and shipyards and munitions factories . . . Its engineers capable to handle any problem in the spray finishing or air exhausting field. . . Its skilled workers trained to produce the best equipment.

HAND AND AUTOMATIC SPRAY GUNS
AIR COMPRESSORS AND OUTFITS
SPRAY BOOTHS AND SPRAYING EQUIPMENT AND ALLIED SUPPLIES
AIR AND FLUID HOSE,
HOSE CONNECTIONS, PRESSURE FEED PAINT TANKS AND COMPRESSORS.

No installation small or large that cannot be produced at the DeVilbiss factory in

WINDSOR, ONTARIO

The DeVilbiss MANUFACTURING COMPANY LIMITED

What would be the good of dreaming?

WHAT good, in 1943, the dreams of youth?

In a world of vast upheaval, what price the ideas, hopes and plans of those whose futures lie ahead?

Only this. Without these dreams, all of our country's riches in soil and natural resources and vast productive plant still would count for naught in the years to follow victory.

What good the dreams of youth? Better ask, what good the future *without* the dreams of youth? In the language of the chemist, they are the catalysts that make possible the production miracle that *is* Canada.

So long as we hold to a way of life where there is incentive for everyone to work a little harder, think a little deeper, aim a little higher . . . then dreaming will be worth the while.

So long as we remain a nation of free industry, with its ownership in the hands of those millions who form the vast reservoir of thinking, hoping, planning, dreaming . . . then youth can dream and know the means will exist for making dreams come true.

Just as certain as we retain the free enterprise that makes these things possible . . . then just as certain is the worth of dreaming in an hour that is itself uncertain.

SERVING INDUSTRY . . . WHICH SERVES MANKIND

Weapons for Victory

Machine Gun Programme Over Top

With Output Far Ahead of Schedule, Canada Ships to All Fronts

Canada is doubling production of Bren machine guns, quadrupling output of Sten carbines, is far ahead of schedule on production of Browning aircraft machine guns. Plants where the Dominion's machine guns are made—one of them is the largest in the Empire—have overcome shortages of skilled labor and critical metals, and have introduced new designs which save man hours, materials, machine tools and money while at the same time improving the weapons.

"Production of Bren guns is being doubled . . . Output of Sten machine carbines is being quadrupled to equal the volume of Bren gun output."

That statement, from the Wartime Information Board, sums up the present status of Canada's Bren and Sten programme.

Figures on individual weapons aren't available—come under the heading of military secrets—but latest information released by the Department of Munitions and Supply gives 50,000 units a month as the output of all small arms, including rifles. Brens and Stens would account for a fairly large proportion of the total.

Other machine guns we make in Canada are Browning aircraft machine guns, Browning tank machine guns, and Vickers machine guns.

"Deliveries on contracts for the Browning aircraft machine guns are so well ahead of the programme that complete R. C. A. F. requirements have already been filled for 1943, and British needs are being so fully met that production schedules will soon be substantially reduced," the Munitions and Supply report on this weapon states.

The Vickers programme got off to a late start but these guns are now coming off the assembly line in steadily increasing numbers.

Development of machine gun manufacturing is one of the most important chapters in the story of Canada's industrial war effort. It's a story of spectacular growth, tremendous accomplishment.

Before the war only the Bren gun was made in the Dominion—and this on a fairly small scale. John Inglis Co. held the contract. When hostilities broke out facilities at the Inglis plant were hurriedly expanded, with government financial assistance, and thousands of workers were taken on. Total capital assistance to the company, when the figures were last given Parliament, amounted to $9 millions.

John Inglis Co. now has contracts for the Browning as well as the Bren.

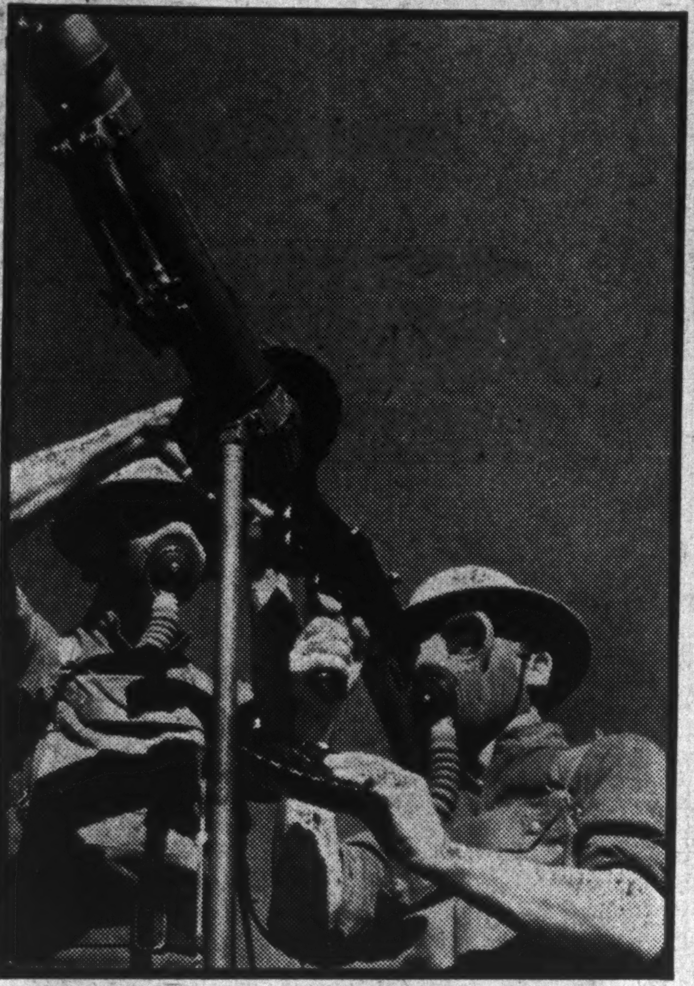
There is also big-scale Browning production in the plant of Border Cities Industries, which was built for this purpose. Before starting the B.C.I. plant, Ottawa called engineers and production experts of General Motors into a huddle, told them what was wanted. Upshot was that the new factory was laid out with the efficiency which typifies the great automotive industry, went into operation far ahead of schedule.

When Canada took on the job of making Sten carbines, which were only designed in 1940-41, the assignment went to Small Arms Ltd., a government plant in Ontario. This is situated on what, in 1940, was pasture land. In addition to Stens it produces the Canadian version of the Lee-Enfield rifle.

The Sten schedule originally planned was reached last August, when the objective was multiplied by four. The new peak is being reached at the present time.

$200 Millions of Contracts

While no recent breakdown is available as between machine guns and other items in the small arms programme, the eight major plants and sub-contracting firms producing small arms are operating on contracts amounting to $200 millions.



Anti-aircraft machine guns are effective weapons against low-flying aircraft. Here is such a gun ready for action and manned by soldiers wearing full battle equipment.

Their output in 1942 showed an increase of 1,300% as compared with 1941. The eight major plants now employ more than 25,000 workers, 60% of them women, and one plant alone, the largest in the British Empire, has 16,000 employees.

Shortage of skilled labor has been one of their chief production obstacles. Increased schedules have required more and more skilled toolmakers and machine tool setup men, with few of them available.

Training courses in the technical schools and in the plants themselves are gradually overcoming the shortage, although it cannot be said the problem has been solved.

To permit the use of unskilled help in most phases of manufacture, machine gun plants have broken the various operations down into simple steps, easily learned.

Shortages Overcome

There have been other shortages to overcome—shortages of materials. Supplies of alloy steel, forgings, seamless tubing and such things have been very tight. Gun makers have circumvented this difficulty by substitution of less critical materials, and by changes in design.

A number of these changes have actually improved the weapons; others have been made without in any way impairing quality.

Like other branches of war industry, machine gun plants have gone all out for conservation—for saving labor, material, machine tools, money.

Result has been a steady decline in costs, and greater output without a comparable increase in number of employees or volume of material. Valuable machine tools in many cases have been freed for other jobs by the elimination of machining operations — this through new designs.

Here is what has happened to costs of the Bren gun: In the first part of 1941, each Bren cost $390.59. By the first quarter of 1942 Brens were being produced for $192.28 each. There is understood to have been a further large decrease in the last year, but the figures have not yet been announced.

At Nov., 1941, a Browning .303 was costing $402.99, while at April, 1942, the same gun cost $220.50. As in the case of the Bren, there is said to have been another big decrease in the cost of the Browning since the last figures revealed.

Ship to All Fronts

Canada's machine guns have killed Germans, Italians and Japanese on all the fighting fronts of the world—have blasted Axis planes out of the sky, have mowed down enemy infantry, have even sunk ships. The first shipment of direct aid from North America to reach China was a consignment of Brens.

Since that time we have shipped machine guns to more than 50 destinations in Europe, the Middle East, the Far East.

Canadian troops, who have tested Canadian machine guns in action, praise them in the highest terms. Sgt. Major Jim Murphy, landing back in England after Dieppe, called his Bren gun his "lifesaver," said without it he would have been "sunk." Pte. Alex Chisholm used a Vickers. "It's terrific," he announced. "We were using the new .303 ammunition and hitting dive-bombers 2,600 yards away. With a gun like that there'd be no alibi for missing those planes when they levelled straight at us."

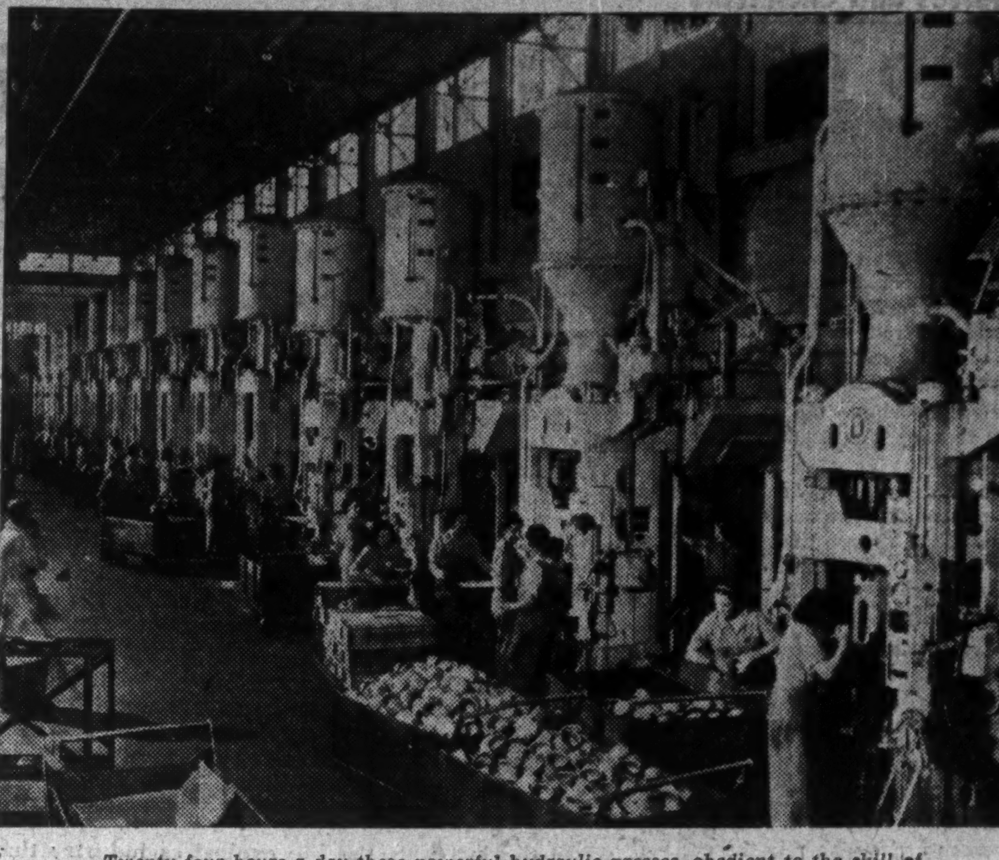
Here are the characteristics and uses of the various types of machine guns we now make in Canada:

Bren Light Machine Gun. An air-cooled and gas-operated gun of .303-in. calibre, this is essentially an infantry weapon, can deliver a very heavy stream of fire while employing relatively few men. It is capable of firing 550 rounds a minute. Each gun is equipped with a spare barrel, and barrels are interchanged after firing 10 magazines of 30 rounds each. Equipped with a bipod, the Bren is normally fired from prone position. It is also used for anti-aircraft work, mounted on a tripod and fitted with a 100-round, drum-type magazine. When fired from a bipod the effective range is 1,000 yards. When fired from a tripod, this distance may be increased. Maximum range is estimated at 2,000 yards. Three types of ammunition are used — ball, armor-piercing and tracer. This weapon is considered the backbone of infantry firepower of all the Empire armies.

.303 Browning Machine Gun. Air-cooled and pneumatically fired, the Browning is standard equipment for Empire aircraft, which carry from two to 12 machine guns each depending on type of plane and tactical use. Three kinds of Brownings for aircraft are produced in Canada for mounting in various types of turrets or in fixed wing positions. Firing belts contain from 300 to 500 rounds, and the Browning has the greatest destructive power of any weapon of .303-in. calibre. In combat, Brownings can literally saw enemy aircraft in two, and 5,000-ton merchant ships have been sunk by concentrated fire along the water line. The effective range is 600 yards, using ball, armor-piercing or tracer ammunition.

Sten Machine Carbine. The nine-mm. Sten machine carbine was developed in the United Kingdom during 1940-41 to meet requirements for large numbers of "Tommy" guns. The Sten is an entirely new type of submachine gun designed particularly for use by assault troops. It is very light, very compact, weighs only about five pounds compared with the

(Continued on page 18)



Twenty-four hours a day these powerful hydraulic presses, obedient to the skill of their girl operators, stamp out munitions to stamp out the Axis.

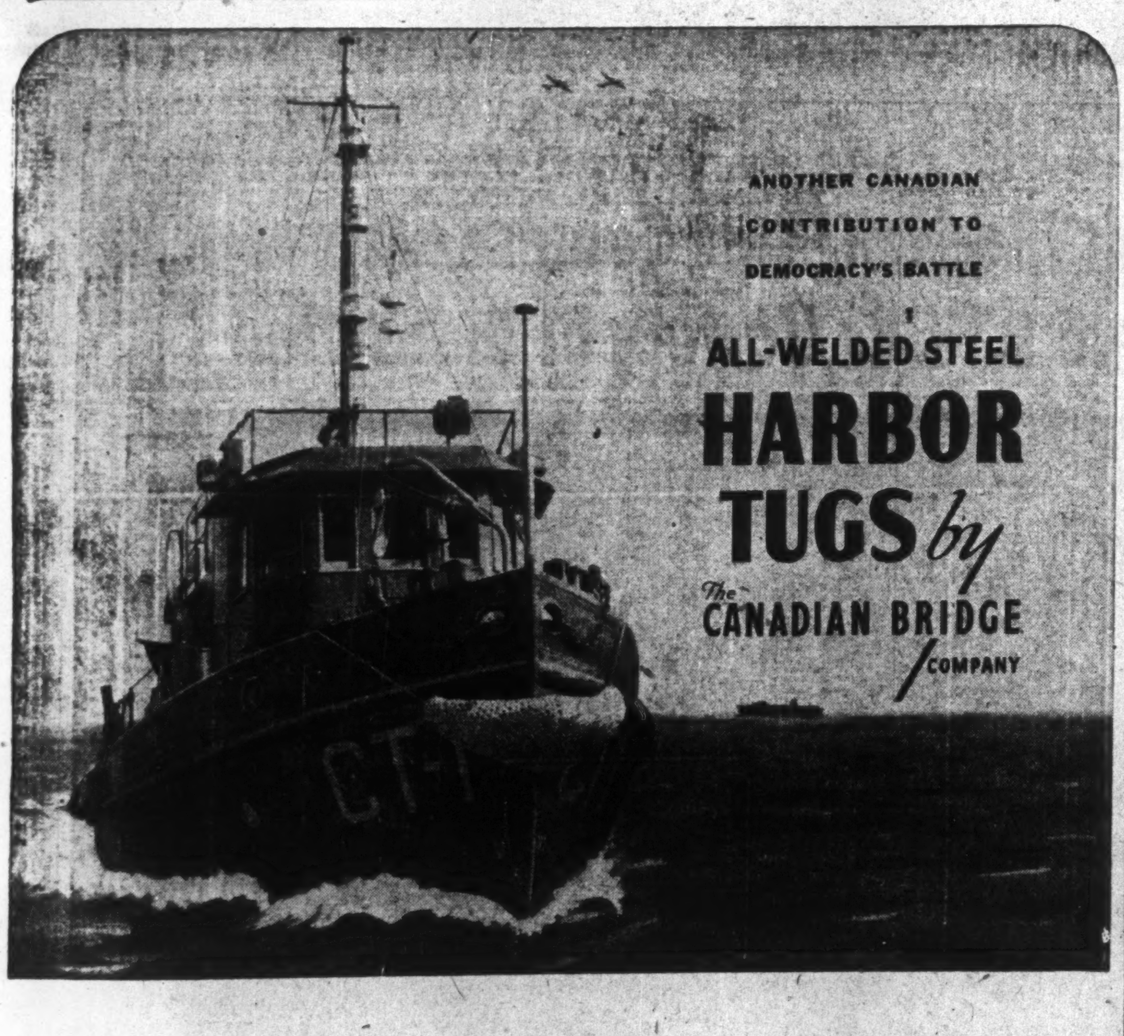
PRODUCTION
—A Cartridge Case History

"Your company continued to maintain its position as the leading producer of Brass Cartridge Cases in Canada — It produced a high percentage of the Canadian output of aluminum and magnesium castings; also finished parts for aeroplanes, tanks, ships, guns and other essential munitions of war.

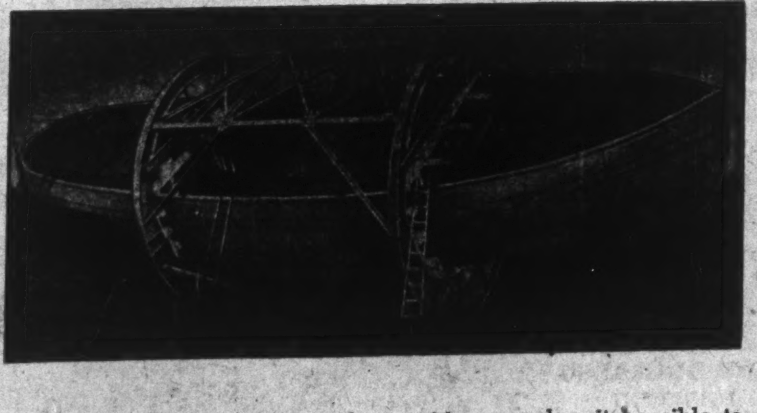
"The existing company policy of Labor-Management Committees was extended during the year and as a result of further employee co-operation, new high peaks of production were established."

Extract from The Robert Mitchell Company's Ninety-Second Annual Report.

THE ROBERT MITCHELL COMPANY LIMITED
Foundries: ST. LAURENT, P.Q. 1851—1943 Factories: MONTREAL, P.Q
"Specialists in the Casting and Fabrication of Modern Alloys"



Built to operate economically under all conditions of weather and climate, these new all-welded tugs are another tribute to the engineering and fabricating ability of the men of Canadian Bridge. Modern in every detail, they are doing a hard job well in speeding up delivery of supplies to our armed forces in all theatres of war.



Designed in our own shops, this positioner makes it possible to build a tug in one-quarter the previous time. Every square foot readily accessible with no time lost in revolving tug to new work surfaces. Permits all downhand welding.

Bridges, Buildings
Railway Turntables
Substations
Radio Masts
Barges and Scows
Electric Furnaces
Marine Engines
Transmission Towers
Bren Gun Carrier Bodies

The CANADIAN BRIDGE COMPANY LIMITED

Slabs for Heavy Plates are produced in the Blooming Mill.

Gangway FOR THE TANKS

The mounting production of shells, bombs, mines, tanks, army trucks, rifles, guns and gun carriers, combined with the needs for shipbuilding continue to consume steel at an accelerating pace. Requirements for war and vital needs have progressively absorbed a larger share of the available supply, and as a consequence, steel for less essential purposes has had to be curtailed. We are confident that all users of STELCO Products will thus bear with us under such circumstances.

THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON - EXECUTIVE OFFICES - MONTREAL
SALES OFFICES: HALIFAX, ST. JOHN, QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER
WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

Explosives and Chemicals

$121 Millions in Firepower

Canada's 32 Explosives Plants Reach Full Stride

Made in Canada explosives are the "punch" behind the millions of field, anti-aircraft and anti-tank shells and hundreds of millions of rounds of small arms ammunition now streaming to all fronts.

They are firing the depth charges to keep submarine wolf-packs at bay.

Canadian chemicals provide the smoke screens that protect British convoys. They go into the manufacture of more than 70 basic types of pyrotechnics now being turned out for the United Nations.

Create New Industry

To provide the deadly firepower required in modern warfare Canada has built, virtually from the grass up, a vast industry from whose plants pour a steady stream of explosives, chemicals and filled ammunition. Today 50,000 men and women are working in these plants which, if placed one with another, would blanket the city of Montreal.

Credit for this remarkable achievement—remarkable because of the rapid and efficient manner in which Canada's knowledge of chemicals and explosives has been harnessed to wartime requirements—belongs to science and industry. It belongs also to the workers, the majority of whom have become skilled in operations which once were completely foreign to them.

Canada produced no filled ammunition in the last war. The dollar value of chemicals and explosives produced and the ammunition filled in 1939-40 was only $2 millions. In 1941 it climbed to $50 millions. Last year production was more than doubled at $121 millions.

Spend $140 Millions

Although several large explosives plants were built in Canada and operated from 1914 to 1918, none of these was maintained after the Great War. The equipment was used for other purposes, or scrapped, and buildings were, almost without exception, torn down.

But research did not slow down. When the war started, Canada had the nucleus of scientific training to start a new chemicals and explosives industry.

This has involved a capital outlay of $140 millions in the last 3½ years. It has involved the construction of vast new plants, the manufacture of chemicals new to Canada, employment of tens of thousands of men and women.

Full Scale Output

Full scale production has been reached. The number of projects and the type of output has been revised upward on several occasions. Canada now supplies not only the requirements of her own ammunition filling plants, but large quantities for export to Great Britain, other parts of the Empire, and the United States.

The present monthly production of chemicals and explosives runs into tens of thousands of tons. Canada now turns out in six months more military explosives than it did from 1914 to 1918.

Subsidiary to U. K.

The explosives programme has, in the main, been developed es subsidiary to the United Kingdom explosives programme and as a reserve against loss of production in Britain.

At present Canadian capacity for the production of propellants and high explosives is nearly as large as that of the United Kingdom capacity, although further expansion in the United Kingdom is still under way.

Canadian requirements represent a small percentage only of domestic production. The major share of the output goes forward to the United Kingdom or other members of the United Nations, either in the form of bulk shipments of explosives or in finished ammunition.

The chemical programme has been built up, first to supply needed chemicals to the United Kingdom and, secondly, to supply intermediates and raw materials required by the Canadian explosives and chemical programme.

The ammonia and ammonium nitrate plants, which are regarded as part of the chemical programme, were created to supply reserve capacity for the United Kingdom. At the same time they supply the necessary ammonia which is an essential raw material in the manufacture of explosives.

> **After the last war, the big explosives industry that Canada had built up was almost completely dismantled. It grew again after 1939, now employs some 50,000 workers in 32 plants. Seven more plants are now preparing for production.**

Set Up Three Agencies

To direct the operation of this vast programme, three individual agencies were set up.

1. The Explosives and Chemicals Branch of the Department of Munitions and Supply to organize in Canada the production of chemicals and explosives.

2. Allied War Supplies Corp., a Crown company, to administer for the Canadian and British governments the chemical and explosives plants which are owned and financed by the government.

3. A chemicals controller to allocate chemicals for war purposes and to regulate the supply and distribution of chemicals in Canada.

Began in 1940

The first large project undertaken in this new programme, for the output of T.N.T. and cordite, began operations in Ontario in the fall of 1940.

Others have followed in steady sequence across the Dominion. All are sizable, but more than half of them are major projects involving an expenditure of from $1 million up to $19 millions each.

Operate 39 Projects

At this stage, Allied War Supplies administers 39 projects, of which 32 are in operation. The remaining seven include two scheduled for large scale production of alkylate for high octane aviation gasoline.

Of the major projects in operation three are shell-filling; three explosives; two fuse-filling and 10 chemical.

The smaller projects are made up of 10 chemical plants; one fuse powder unit and four smoke bomb plants.

Considerable secrecy necessarily surrounds the chemicals and explosives programme. However, it has been officially stated that Canada is now making 12 types of chemicals and eight types of explosives.

Known products are Cordite, T.N.T., smokeless powder, fuse powder, smokescreen chemicals, ammonia, sulphuric acid and alkylate.

New Developments

Some of the more recent projects reflect new scientific developments and changes brought about by the course of the war. Outstanding are the alkylate plants, designed to produce high octane blending agents required in aviation gasoline; a new carbide furnace to produce carbide required by the United Nations in the production of neoprene synthetic rubber.

A noteworthy Canadian development has to do with the manufacture of a high explosive, by a process developed by the research division. This process has been carried from laboratory test-tube scale in May, 1941, to full plant operations in August 1942. It has been adopted by some of the United Nations as the main process for the production of this new super-explosive.

Pulp Replaces Cotton

Another important development has been the substitution of domestic woodpulp for imported cotton linters in the manufacture of cordite and nitro-cellulose.

Assuming full operations of the plants and current prices of linters and pulp, this new process involves a saving of some $2 millions a year and the supply of raw material from Canadian sources.

Similarly, in generally planning new production in Canada, consideration was given to the possible postwar value of the proposed new plants. It was endeavored to so locate the plants that they should be of maximum value to the Canadian economic structure. For example, the establishment of the sulphuric acid plant to serve an explosive plant and the design of this plant to use Canadian pyrites.

Build for Future

From inoffensive pulpwood and vegetable oils, from cotton, petroleum and coal, and from other products of the earth, is manufactured high-grade cellulose, glycerine, toluol, ammonia, phenol, and other chemicals. These are combined with other intermediates to produce cordite, T.N.T., amatol, fulminate of mercury and other explosives which are needed in increasing quantities. This is largely Canada's job. It is a huge job, but Canadian industrialists, scientists and workers have taken it in their stride.

It is a vital industry they have created to further the war effort of the United Nations. It may play an even more important part in Canada's postwar development.

Machine Guns Over the Top

(Continued from page 17)

nine-pound weight of a rifle. Of all-metal construction, it substitutes steel for the familiar wooden stock. It costs much less than a rifle. For a weapon of its size and lightness it has an impressive rate of fire. For a magazine burst it fires at a rate of 450 to 500 rounds a minute. Allowing time for changing magazines, it can maintain a fire rate of 200 rounds a minute. Experts have pointed out that because it is cheap to produce and so light, and because it is easy to operate, the Sten would be an ideal weapon with which to arm underground forces in Europe when the invasion starts and they rise up against the Germans.

Browning Tank Type Machine Gun. This is one of the more recent developments and suitable for tank use. It is an adaptation of the Browning used on aircraft.

Vickers .5 Calibre. This is a water-cooled machine gun, much heavier than the Bren because of the water jacket around the barrel. It is mainly used as a naval gun, and also for protection against low-flying aircraft. Being water-cooled, it can sustain uninterrupted fire longer than a Bren, fires about 500 to 600 rounds a minute from a belt.

Beauty Survives Explosives Through New Cosmetics

Women working in munitions factories can do so now without fear of their complexions or hair being spoiled. Sir David Munro, Chief Medical Officer to the Ministry of Supply, realizing that "beauty is woman's dearest possession" made hundreds of experiments with his staff of experts, and succeeded in discovering protective beauty perparations which prevent yellow explosive powders, like trinitrotoluene (T.N.T.) from discoloring the faces of girls who put high explosives into bombs.

The cosmetics are made by the Government, and supplies issued free to all girls on the "yellow job."

Before the girls start work they **must first remove all silk or artificial silk underwear, including stockings, and change into good quality flannel suits which, of course, are also provided by the Government. Then they proceed to make up their faces with skin lotion, face cream and powder, and cover their hair with dust sheets, while an inspector stands by to see that they apply the cosmetics correctly.**

Every care, too, is taken of their health. All war factories have their own clinics which can deal with any emergency, from cut fingers to more urgent cases, at a moment's notice; and about 1,500 women doctors, all under 30 years of age, look after the health and welfare of women war workers engaged on vital **jobs in munition factories.**

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United States and Royal Air Force pilots can tell much more about this deadly bomber in the days to come, and they *will* in stories of blasted Axis supply lines, smashed Axis tanks and silenced Axis guns.

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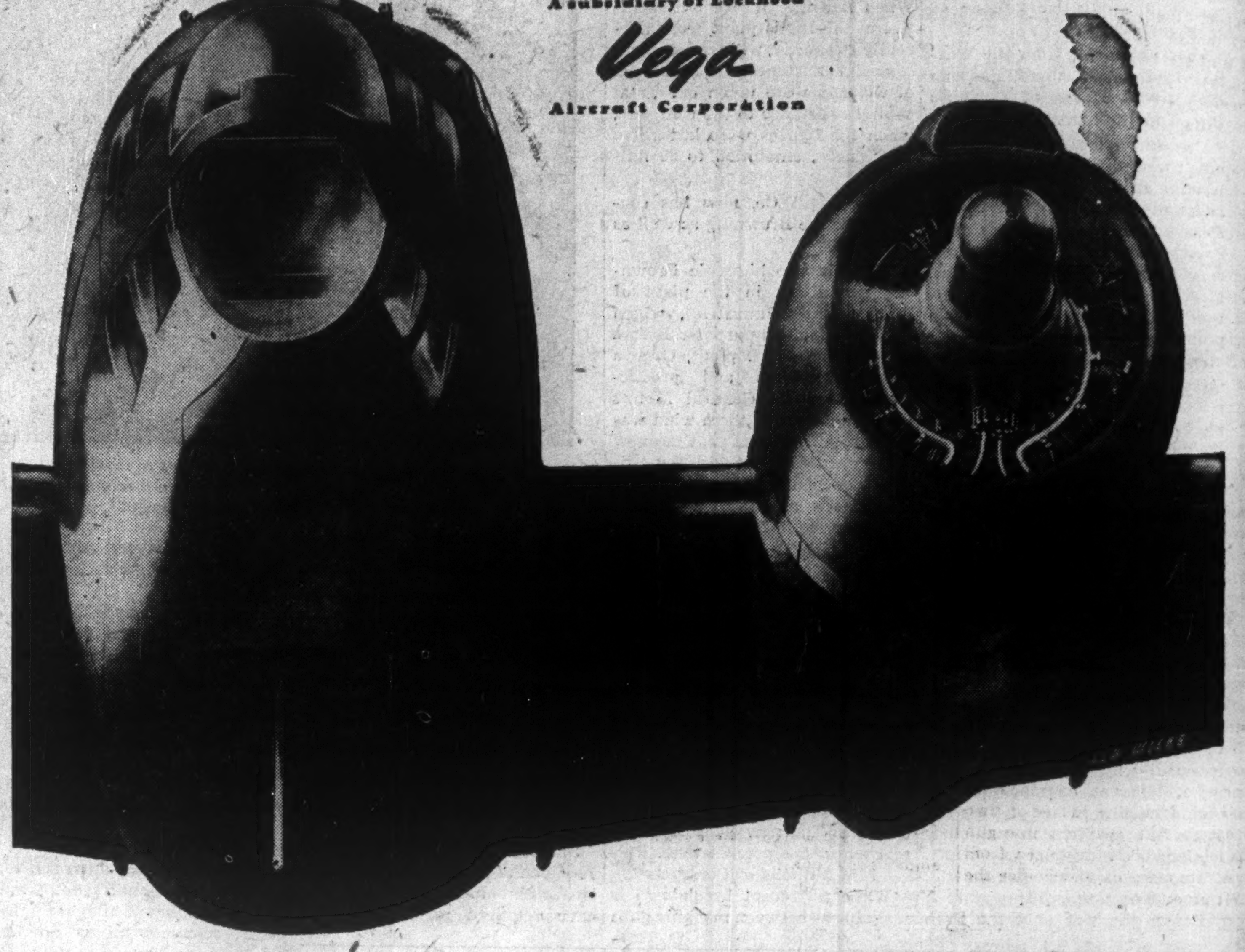

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Small Arms Ammunition

Canada's Production Hits Stride

Output Now 1.5 Billion Rounds Per Year; 21 Different Types

Parliament's subcommittee No. 3 on war expenditures went out to cast critical eyes over Canada's small arms ammunition programme and probe for weaknesses.

The report of the committee, tabled recently in the House of Commons, lifts the curtain on an unbroken record of accomplishment, calls the programme "one of the best jobs done by the Department of Munitions and Supply," and adds—

"It is evident that the operation of a relatively small pilot plant in the production of small arms ammunition prior to the war was of very great benefit. It further appears that experimental work by industry as a prewar effort was of great importance. A conclusion that one must inevitably come to is that ammunition of a very high quality is being produced in Canada and it is also apparent that production of small arms ammunition was developed soundly and rapidly with considerable attention to economy . . ."

At war's outbreak, the report points out, there was only one plant in Canada producing service types of ammunition. Operated under direction of the Department of National Defense, it had an output of about nine million rounds a year. It had old equipment, capable of turning out 50 million rounds annually, which was soon put in shape for the emergency.

A private company was producing commercial ammunition. It had carried out development work in co-operation with defense authorities, had made sample lots of service ammunition.

How Output Increased

The report to Parliament notes that the government plant, Dominion Arsenals, by March, 1942, was producing at 53 times the prewar rate. It continues—

"Canada is (now) turning out more small arms ammunition in one work shift than prewar facilities could have produced in two months. Rifle and machine gun bullets are being produced from war company plants at twice the 1941 production rate.

Two-pounder anti-aircraft pom-pom guns are now being produced in the Dominion. Designed for naval use, they send up an umbrella of fire which protects ships from raiding aircraft and rate as one of the most effective weapons.

"From small beginnings Canada's capacity for the production of small arms ammunition has undergone such swift expansion that it is now a spectacular feature of the nation's munition programme, covering a wide range of types and calibres. The output is at the rate of 1,500 million rounds a year or more than 60 rounds every second, day and night, the year around.

"Where 500 workers were once employed in one plant, now 30,000 workers in two government arsenals and many factories being operated by the government for private interests are turning out ammunition for the Bren gun, Sten carbine, Browning machine gun, Lee-Enfield service rifle and Boys anti-tank rifle for the armed services of the United Nations."

The report states that more than half the employees of small arms ammunition plants are women and girls. It also observes—

"The important feature of this year's programme is the fact that there is available in Canada equipment and facilities for making many of the machine tools which once had to be brought in from the outside. Until recently certain components had to be imported.

"A new Canadian plant which has just gone into production of cores for armor piercing bullets is rated as one of the largest of its kind on the continent. Construction of this plant, equipped with batteries of automatic screw machines, enables Canadian production of cores which once had to be imported. . . .

"The current production of 1,500 million rounds each year is being constantly enlarged. Output represents a value of $1 million a week.

"Following the trend of modern warfare, more incendiary and more armor piercing types are coming off the production lines. The production of Sten carbines will be quadrupled in the course of next year; the output of 9-MM. ammunition for this weapon has been stepped up.

"Production of .303 ball ammunition reached plant capacity early this year and is now 50% above former objectives. Capacity for turning out .55 calibre ammunition have recently come into operation and various types of .50 calibre and 20-MM. ammunition will be coming off the lines shortly. . . .

"The committee was pleased to learn that Canada has established a fine reputation for the manufacture of small arms ammunition in Great Britain. It was given in evidence that ammunition from Canada was 100% effective, gave no trouble in any respect, and was, if anything, above the standard of that produced elsewhere."

Types We Make

Here are the types of small arms ammunition we are making in Canada:

.303 Ball Mark VII. This is the standard British cartridge used by the infantry, in rifles and light machine guns, against personnel. It is also used in machine guns mounted in aircraft. It is fired from weapons of .303 calibre such as the Lee-Enfield rifle, the Bren machine gun, the Browning machine gun. At the outbreak of war we had an output of nine million rounds a year. This was stepped up to 403 million rounds in 1941. There are two kinds of .303 Ball Mark VII, one containing a cordite charge and the other a powder charge.

.303 Ball Mark VIII. This is very similar to Ball Mark VII but is a streamlined bullet used by the land services at long distances for firing over the heads of advancing troops against enemy targets. It is fired from specially sighted machine guns. Production was started last year, is now swinging into stride.

.303 Armor Piercing. This is used against light armor largely from guns mounted in aircraft and is so effective that, concentrated on the waterline, it has sunk merchant ships.

.303 Tracer. Used in weapons of .303 calibre, this is largely for ranging purposes. There are three kinds of tracer currently in production. The G.IV, an air force type, is now being replaced by a new type, G.VI. The G.II type is used by the Canadian army. Canada started making tracers in 1941, had produced 116.5 million rounds by last August.

.303 Incendiary. Used in .303 calibre weapons against materiel rather than personnel. The largest requirement is for Browning machine guns mounted in aircraft. It was first produced in Canada in 1942.

.303 Proof. This is used by inspectors in testing the strength of new .303 weapons and contains a propellant charge considerably in excess of the normal charge in ordinary types of ammunition. If the new weapons withstand the firing of proof ammunition, they are safe to use with ordinary service types. Production of the .303 proof commenced in 1941.

.303 Dummy. Used by inspectors for testing .303 weapons and as an assembling component for certain Bren gun magazines. Production started in 1942.

.303 Drill. Used for practice in teaching operation of various types of .303 weapons. Production commenced in 1942.

9-MM. This is a ball type of ammunition fired from the Sten submachine gun. First produced in 1942.

.455 Revolver. This ammunition contains a ball bullet, is used by naval officers in their revolvers.

.380. There are two types of this ammunition. One is used for practice and contains a lead bullet. The other is used in service revolvers of army and air force officers and contains a jacketed or hard bullet.

.22. Used in small weapons for musketry purposes. Large scale production is in progress.

.1 Aiming Rifle. This ammunition is used in training coast defense personnel and is fired from a sub-calibre weapon fitted on the large coast defense guns. Production commenced in 1942.

.50 Vickers A.P. Used in Vickers machine guns by the navy against targets which carry light armor.

.55 Armor Piercing. Fired from a Boys anti-tank rifle against tanks, this is now in production in Canada.

20-MM. High Explosive Incendiary. This is fired from 20-MM guns mounted in aircraft. A similar type of ammunition is used against aircraft in the navy 20-MM. Oerlikon guns. The ammunition has an incendiary effect, as well as a bursting effect on impact.

20-MM. High Explosive Armor Piercing Incendiary. Used for 20-MM. guns mounted in aircraft. First orders for this type received in Canada in 1942, with actual production to commence soon.

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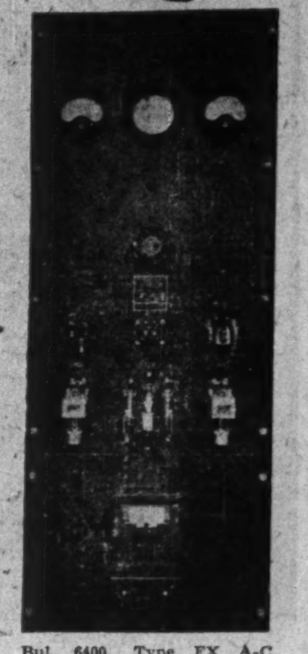

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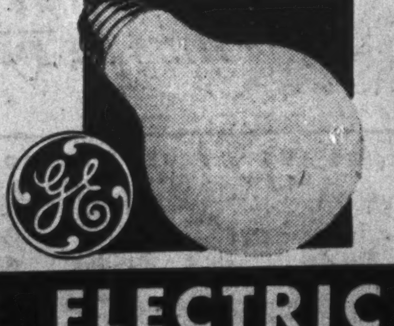

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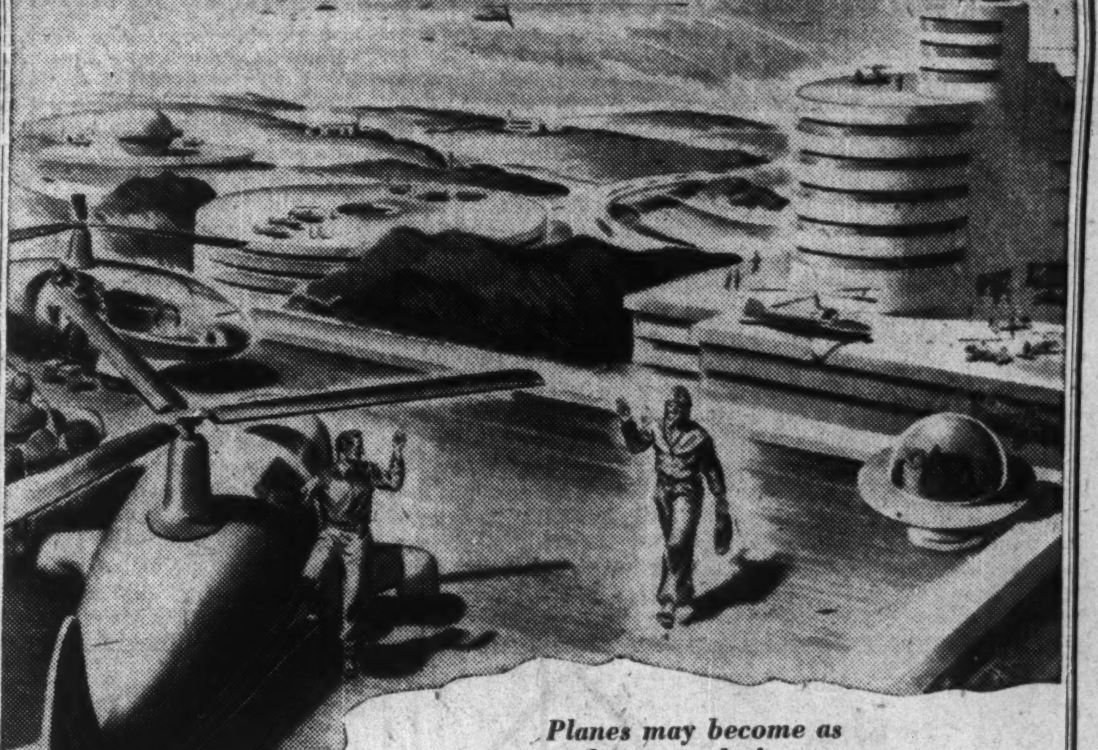

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Anti-Aircraft Guns

Canadian Flak Reaches Many Fronts

Three Main Types in Production Cover Wide Range of Needs

Anti-aircraft guns point seaward from Canada's coasts, ready to blast away at the first sign of enemy raiders. Because of the deafening noise that accompanies the rapid fire of these guns, the trigger man is given the cease fire order by a yank of the rope held by the soldier at the left.

Enemy aircraft, whether attacking at low, intermediate or high ranges, can be met by anti-aircraft guns from Canadian factories which produce guns ranging from automatic machine guns to the heavy 4.5" gun to meet high flying bombers. Our AA guns have been supplied to the United States, to Britain and to other Allies. Government funds have been used to establish manufacturing plants to the extent of many millions of dollars. Substantial savings in materials and labor mark the start of a definite conservation programme in this industry.

There are two main ways of fighting off invading aircraft. It can be done either by use of your own airplanes as interceptor craft to shoot them down or by use of anti-aircraft guns.

Since early in the war, Canada has been turning out various types of anti-aircraft guns in an effort to overcome the serious lag and supply the tremendous numbers needed to defend widely separated points of danger.

Anti-aircraft guns can be roughly divided into three classes.

Three Main Types

There is first of all the automatic machine gun and light cannon of various types used against dive-bombers or other low-flying enemy aircraft.

There are guns, such as the Bofors, for intermediate ranges, a quick-firing gun capable of shooting its 40-millimetre shells in rapid bursts at approximately 120 rounds per minute.

Then there are the heavy anti-aircraft guns for ranges up to 40,000 ft. or more. These are marked in Canada by the 3.7 in. anti-aircraft gun made by Canadian Westinghouse with Canadian General Electric making the carriage. Canada also makes barrels for the U. S. 90-millimetre anti-aircraft gun and for the 4.5 in. anti-aircraft guns.

Making these guns is a highly specialized job. To do it, Canada has established new plants and has built additions to existing units. Tremendous amounts of capital have been involved, largely supplied by the Governments of Canada or Great Britain.

Otis-Fensom Elevator Co., producing Bofors equipment, had received $14.3 millions as capital assistance up to July last year. This included $3.1 millions for the barrel plant which has capacity for United Kingdom and United States orders.

The larger 3.7 in. anti-aircraft gun is mounted on heavy pneumatic tired wheels and has a high degree of mobility. It is a manually aimed gun with gunners using dial indications of elevation and bearings supplied by a predictor serving a battery of either two or four guns. Fuses are set automatically for range by a fuse-setting machine on the mounting which is also operated by the predictor.

Many Millions Invested

To establish the plant to make these guns, capital assistance of $11.9 millions has been granted to Hamilton Munitions Ltd., subsidiary of Canadian Westinghouse, for producing the gun itself and to the Canadian General Electric Co. for the mounting $15.4 millions. The Hamilton Munitions Ltd. contract includes $7 millions for production of barrels with capacity for United Kingdom and United States orders.

Although no definite figures have yet been given, it is indicated that each gun with its complete equipment costs about $60,000.

Conversion Problem

These huge plants have been established primarily with an eye to efficiency in turning out a single product. This product is not one which is likely to have regular and normal demand in Canada and a problem will be posed in finding uses for these modern plants after the war. It is quite conceivable that we might decide to maintain a nucleus plant making anti-aircraft guns, but it is hard to imagine Canada finding any justification for maintaining plants on anything like the scale which we are now operating.

Under the methods adopted in establishing these huge new industries, the government retains ownership of the equipment for which it has paid. It is thus free to do as it likes with it after the immediate need is ended.

Like any other gun-making plant, an anti-aircraft gun plant consists primarily of a factory building and a lot of expensive and specialized machine tools with appropriate heat-treating and auxiliary equipment. Finding other uses for these machine-tools appears to mean finding greater demand for some kind of capital equipment or heavy machinery. They might be adapted, for example, to make heavy axles or shafts of various kinds.

Problem of Re-equipping

One thing that could easily develop out of the postwar uses for such wartime plants would be an important immediate industry in the re-equipping of these specialized tools. Just as it was necessary early in the war to make and to devise special equipment to convert existing machine tools to wartime uses, so it will be necessary to convert the special wartime tools to peacetime uses. Making this equipment may be the means of tiding the Canadian machine tool industry over the period of slack demand which the end of the war might easily bring.

Making Bofors Guns

The Bofors gun costs about $25,000 with its mounting and has been coming from the Canadian factory of Otis-Fensom Elevator Co. in increasing numbers since production started in July, 1940.

Rough forgings for the barrels of the Bofors gun are coming to Otis-Fensom from Atlas Steels.

A recent development has been use of the Bofors, and some other anti-aircraft guns, as a more versatile weapon. The British have developed a design which uses the Bofors gun as an anti-tank weapon, mounting it on a heavy truck chassis for mobility. It is understood that possibility of making this gun in Canada is currently being investigated. The Bofors itself is considered one of the best known defenses against low flying and dive-bombing airplanes.

Save Huge Sums

With initial production problems well mastered. Canadian makers of anti-aircraft guns last year turned more to the problem of conservation of materials and labor. They were, moreover, able to achieve remarkable things in this direction.

On the 3.7-in. anti-aircraft gun, the breech ring used to be made from a high alloy steel forging. Canadian manufacturers, however, have substituted a low alloy steel casting. As a result they have saved 2¾ million pounds of high alloy steel, 100,800 hours of labor, 14 machine tools and $1.1 million annually on this one 500-lb. piece. This is an accomplishment reported by Dominion Foundries & Steel.

Bronze has long been a highly critical metal. Thus when it was found possible to substitute a malleable iron casting for a high strength manganese bronze casting in making the gun support bracket for the 3.7 in. anti-aircraft gun, 28,700 lb. of bronze was saved, 163 man hours of labor eliminated and $10,472 in materials costs.

The support arm for the same assembly is now also made of malleable iron casting and 36,400 lb. of bronze is saved as well as another $11,200 in material costs.

They used to make the oil tank for the 3.7 from cast bronze. Now it is made from fabricated steel and 89,280 lb. of bronze saved each year as well as $162,720 in costs.

Examples could be multiplied. Just as many are available for the Bofors as for the other guns. But the direction has always been the same—toward saving scarce materials, reducing labor required and lowering the cost of each unit.

The Japanese are Tough

Grew Says We Must Crush Their Military Spirit

A primary axiom in war is to know your enemy. The American people, as a whole, are dangerously ill-informed regarding the strength of one of its enemies—Japan. So says Joseph C. Grew, U. S. ambassador to Japan, 1932-41, in "Report from Tokyo," available through the Musson Book Co., Toronto, at $1 per copy.

Mr. Grew comments on the offensive spirit which permeates all of the armed forces of the Japanese Empire. This spirit, recognized by competent military men as the most vital intangible factor in achieving victory, has been nourished and perpetuated since the foundation of the modern Japanese army. The Japanese High Command has counted heavily upon the advantages this would give over less aggressive enemies. When the Japs struck they made no provision for failure, left no road open for retreat. They struck with all the forces and power at their command. Grew says they will continue to fight in the same manner until they are utterly crushed.

To eliminate any complacency at home the former ambassador says it must be realized that in Japan there is a powerful fighting machine. Jap morale cannot and will not be broken even by successive defeats, will certainly not be broken by economic hardships. Individually and collectively the Japs will gladly sacrifice their lives for their Emperor and their nation, and can be brought to earth only by physical defeat, by being ejected physically from the areas which they have temporarily conquered or by a progressive attrition of their naval power and merchant marine which will finally result in cutting off their homeland from all connection with and access to those outlying areas — by complete defeat in battle.

Sketching the background of war by Japan Mr. Grew declares that the Japanese attitude toward the English-speaking peoples is based on a concept of Japanese superiority and strength and of our inferiority and weakness. Among the formidable characteristics of the Nipponese are the facts that they are united, trained, frugal and fanatical. Their government was totalitarian long before Germany and Italy thought of the word.

With such capacities and such a government Japan's leaders did not fear war. They think that they can and will win. They are counting on underestimates, on our apparent disunity before—and even during—war, on our unwillingness to sacrifice, to endure and to fight. Mr. Grew sees the Jap leaders as cold calculators, not suicidally minded incompetents.

The fetters of feudalism are still apparent in Japan, and the traditional subservience to authority has been used to lead the Japanese workers to accept a degree of regimentation that in some respects exceeds that of Nazi Germany. This regimented industrial machine has been turned to one purpose—the production of the tools of war.

While realizing that the Japanese military machine is closely integrated with every phase of the national life, Mr. Grew sees hope for discrediting that machine in the eyes of the people. That will be possible by completely crushing and rendering physically impotent the power of the Japanese military machine,

Then, he claims, the Japanese people as a whole will come to the realization that crime does not pay, that they have been forced to follow false gods, and that the ways of peace are in all respects preferable to the ways of war.

The Japanese will not crack morally, psychologically or economically as did the Germans in World War 1, even when eventual defeat stares them in the face. They, says Mr. Grew, will pull in their belts another notch and fight to the bitter end. Only by utter physical destruction or utter exhaustion of their men and materials can they be defeated.

Despite its many strengths, however, the Japanese Empire is not to be considered invulnerable. Japan has not succeeded in removing strong Allied positions on the flanks of her defensive chain. Another weakness of the Japanese defensive ring is that communications and transport must be carried very largely by water, and are vulnerable to attack. Obviously such weaknesses as these will not of themselves cause Japan to be defeated; they must be exploited by determined aggressive action by the United Nations.

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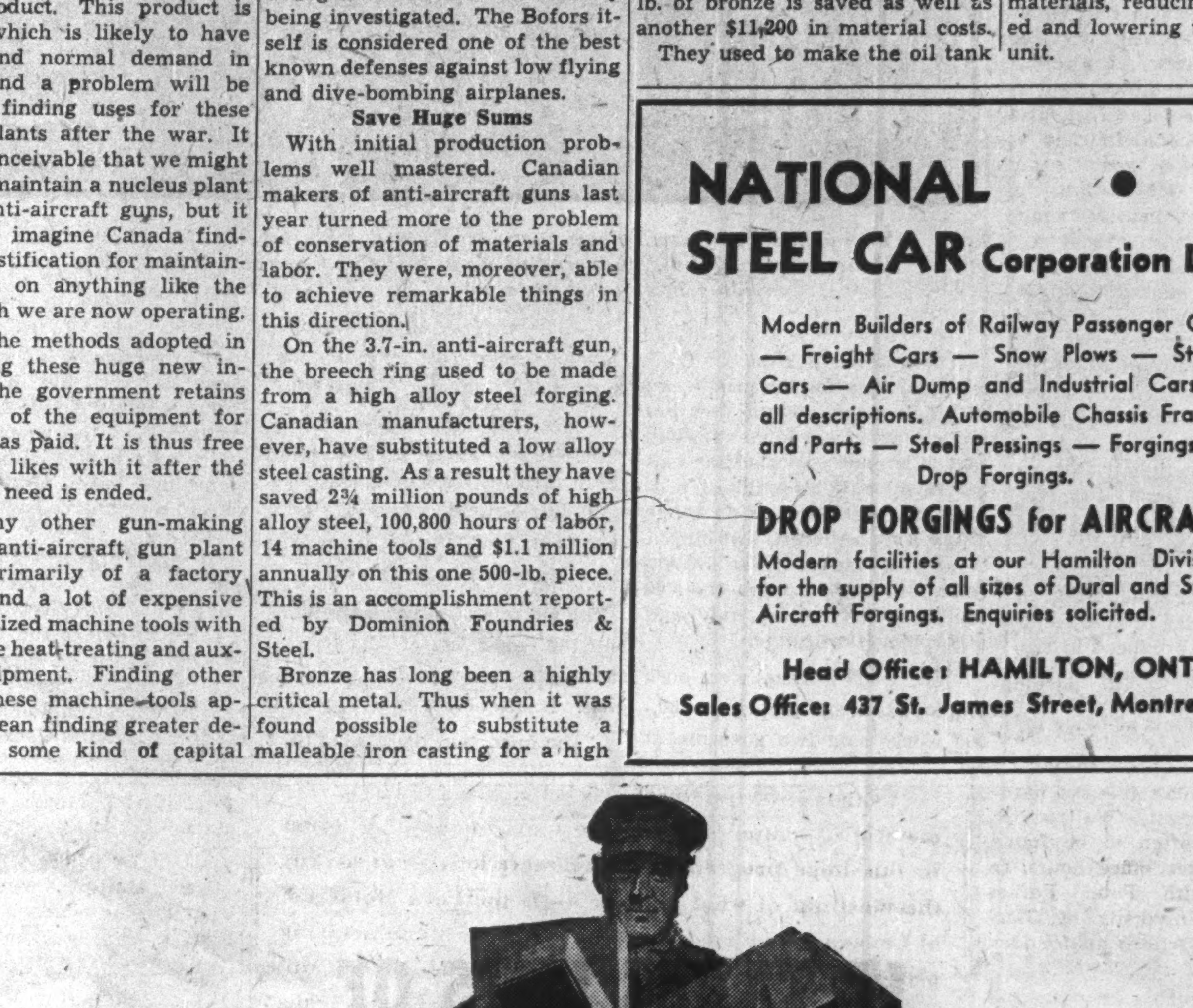

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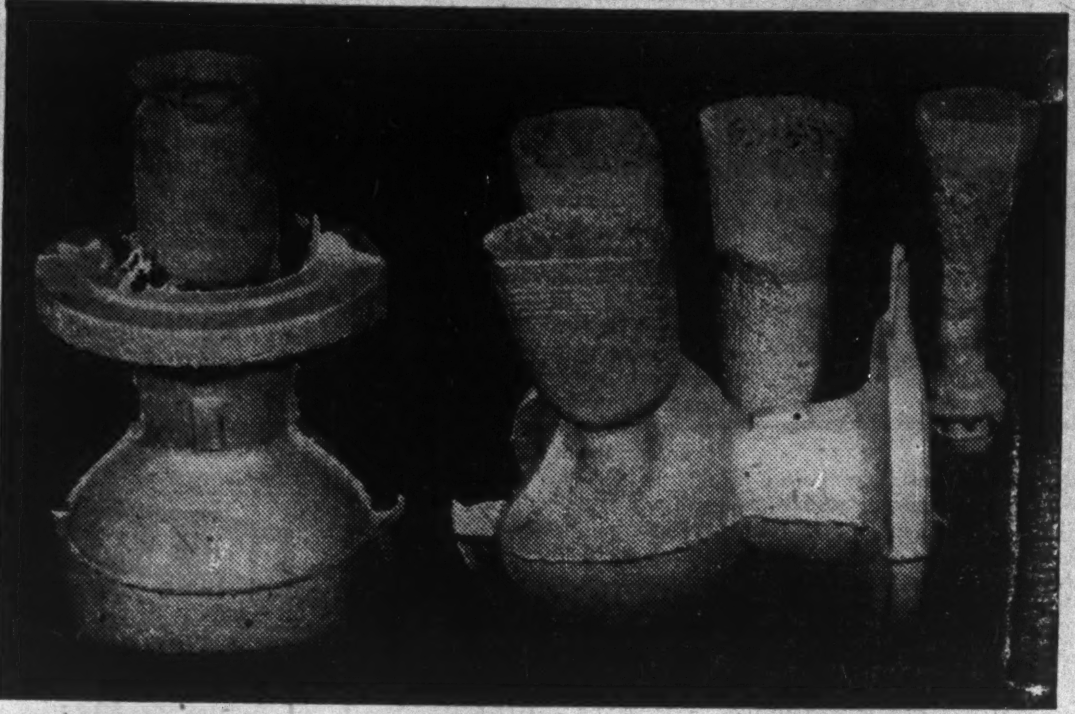
Conservation

Ford's Economy Programme

New Methods Save Manpower, Materials, Money



—Photo by Ford Motor Co. of Canada.

What the new methods of centrifugal casting can accomplish in comparison with conventional green sand casting methods is illustrated here. The part shown goes into the front axle assembly for four-wheel drive vehicles. Centrifugal casting on the left has little sprue, or excess metal, in the centre. Green sand casting on the right has a large amount of sprue. Waste metal may run up to 50% under old methods; be reduced to 20% or less under the new.

Canada's war production is being streamlined to save materials, manpower, machine tools, money. A leader in this huge programme of conservation — of getting the most out of what we have — is the Ford Motor Co. of Canada, which has developed such new manufacturing processes as centrifugal casting, adapted the more plentiful metals to new uses, found how to overcome problems caused by shortages.

With plant expansion nearing an end and many production problems solved, Canadian industry is now putting the pressure on efforts to save materials, to make better use of labor and to cut costs on its output of war materials. The job being done has been highlighted by H. J. Carmichael's statement that savings of over $155 millions annually had been achieved last November.

This phase of Canada's war production accomplishments goes on everywhere with no one company having any monopoly of results to show. The Ford Motor Co. of Canada has been a leader in the job. Its work on conservation of materials and man-hours and cutting of costs has centred around redesigning of parts and an ever-growing use of the Ford technique of foundry practice, including "centrifugal casting."

There is no over-all estimate available of how great the savings achieved by Ford have been to date. But on the universal carrier alone about 1,100 design changes have been made. British engineered equipment has been adapted to Canadian mass production methods on the carrier and other production jobs. Illustrating what has been accomplished are these estimates of some of the annual savings achieved by this company which has an annual war production of about $175 millions.

	Lb.
Stock steel	2,800,000
Rubber	550,000
Spring steel	26,000
Bronze	208,000
Steel plates	9,700,000
Nickel steel bars	378,000
Steel castings	285,000
Malleable iron	14,000
Sheet steel	8,000

How these vital savings have been accomplished and of how a large company directs its organization toward these efforts is subject of this story.

Fastest growing section of the huge plant of Ford Motor Co. of Canada at Windsor is the foundry, now being enlarged again. Here are concentrated major developments in the programme to cut war production costs, to save materials, and to speed output.

Ford of Canada's able and hard-driving president, Wallace R. Campbell, is often to be found there long after office hours, in a huddle with Peter Forbes Blackwood, University of Glasgow graduate, who is his foundry superintendent.

Their conferences since the war started turn more and more toward ways to conserve materials, cut man-hours and boost production. They have become specialists on modern foundry methods, particularly "centrifugal" casting.

The conservation programme develops through two channels. Besides, the foundry section, there is the designing and engineering department, designing and redesigning, eliminating critical materials, adapting English designs for war equipment to Canadian mass production methods.

Examples of how objectives are achieved are easy to find. Established practice may use a bronze casting from which to make a bearing for a shaft, a job which ordinarily would not warrant machining a malleable casting and pressing a bushing into it.

When Brass Gets Scarce

First bronze became scarce. A forging or malleable iron part with a bushing was considered. The new method involved machine finishing of the malleable part inside and pressing in a machined bushing.

The supply of bronze got more critical, and a seamless steel tube was used, on the inside of which was fluxed a coating of bronze 1/100th of an inch thick.

Finally even seamless steel tubing got critical, and a flat piece of steel was used, the bronze coating fluxed on, and the whole rolled into shape.

The original bronze casting used 10% tin as an alloy, but in the final stage the tin content was reduced to 2%. The original bearing compromised strength for excellent bearing properties; now the strength properties have been divorced from the bearing properties, giving better strength plus a more satisfactory bearing.

Switch Plates From Scrap

Formerly Ford made instrument switch plates for its buses and commercial jobs from etched zinc. The result was satisfactory, so long as only a few were needed and zinc was plentiful. But this condition soon vanished when war came. These plates are adapted to military vehicles where a number of switches controlling various operations are grouped together on one plate. To prevent errors on the operator's part the marking must be easily read and must not tarnish.

In four steps a change was made to a non-critical material giving good service. First etched zinc was used—until zinc joined the list of critical materials. Then plastics were considered. Their varying colors meant greater legibility but they lacked strength to give the proper support. Fibre was investigated but was affected by water.

Finally scrap steel plates were given a baked enamel finish and lettering and markings applied by use of the silk screen process. This gives greater strength than the original, with more legible markings, and is non-tarnishing.

The change to the use of scrap steel resulted in a contract going to another small firm that was suffering from interruption to its ordinary work.

Switch boxes for trucks and buses used to be made of two pieces of metal, spot welded together and fibre covered. Now a one-piece stamping is used with a molded plastic cover. The result is a saving in welding, and greater speed in manufacture.

Prime Requirements

Such work is a continuous process, but new designs must work. A new switch plate to eliminate critical materials must provide the necessary strength to meet war requirements.

Then it is essential for maximum savings that volume be built up to the extent that spending up to several thousand dollars for tooling and equipment is justified.

In many cases, such as that of the switch box mentioned, the Ford engineer knew that there were better ways to make the part, but only a few dozen were needed each year to equip the limited number of buses turned out. Military vehicles developed a demand for this particular part which justified the expenditure of money for tooling.

Ford engineers emphasize that the whole job is one of gradual development, requires steady, persistent work by a large staff of specialists.

Felt For Rubber

There has been extensive re-designing to eliminate or reduce use of rubber, although rubber has special qualities that substitute materials have not shown.

Felt covered with liquid reclaimed rubber is used to replace sponge rubber, now entirely cut off. The result is a better part costing perhaps 20% less. But most other rubber substitutes are not ordinarily as good, usually more costly.

There is an indirect advantage to some of these substitute items. In many cases they can be farmed out to small local manufacturers.

Orders for rubber-dipped felt to replace sponge rubber were given by Ford to a Windsor firm which makes mattresses and upholstery. It had the equipment to handle a felt processing job, and had spare capacity.

The universal carrier was of English design and in relatively early development stages when Ford took over its manufacture.

These vehicles travel on endless tracks and are powered by standard Ford truck engines. The tracks run on sprockets which under the original British design were laboriously flame-cut from a heavy alloy steel plate. Ford adapted its method of "centrifugal" casting to this operation. The result has been annual saving in materials of approximately 5,000 tons, in labor of 725,000 man hours and in money of $1.7 million.

Moreover the new sprockets wear twice as long. This double life operates on the total cost to the government for each vehicle. It was at first required that each carrier be shipped with 200% service replacement of these sprockets; the increased life of the cast sprockets has reduced this to 130%. The original price per sprocket was reduced to one fifth.

The British design for tracks for the universal carrier, which contain 168 links, called for a tolerance in manufacturing which permitted a variation in length five inches more or less than 24 ft., or a total possible variation of 10 inches.

Ford's method of casting these individual track sections permits a variation of only two inches in the total length of the track. The average mileage for a carrier track as built by Ford is double that of the original British track.

Ford's centrifugal casting means that the mold used is rotated rapidly while the molten metal is poured in. This whirling motion packs the metal, giving a dense, strong casting which can be substituted widely for forgings.

Metal Saving 40%

The ordinary method of casting the front wheel hub—the "green sand casting"—for an army truck gave an untrimmed weight per hub of 100 lb. When centrifugal casting was used the untrimmed weight of the part was reduced to 60 lb.

In other words the heating and handling of 40 lb. of metal is eliminated on each part. Annually this results in the conservation of 1,750 furnace hours and in the melting and processing of more than 1,700 tons of metal, on the basis of Nov., 1942, production.

Savings such as these are important in themselves, but there is also a saving in furnace hours, in electrical power demand, and in total furnace capacity needed to keep the foundry operating. If, for example, the machine shop can handle 200 tons of metal daily, then the foundry capacity is based on this figure as well. When centrifugal casting is used, yields of up to 90% usable metal are common. If this yield were to drop to the approximate 50% yield of usable metal common in old-time foundry methods, foundry and electric furnace capacity would have to be almost doubled to keep the 200 tons of metal going to the machine shop.

Christmas Trees

New "Multiple Christmas Tree" castings give yields of up to 95%, though using smaller production items to replace the "risers" ordinarily used to distribute the molten metal to all parts of the mold.

Another example of modern methods developed by Peter Blackwood and his staff is the making of cylinder barrels for certain aircraft engines. The original part was forged in British factories, which meant that a steel forging somewhat larger than the final diameter of the finished cylinder was forged and machined into its final form. Ford developed a method of centrifugal casting which utilizes no inner core and eliminates "sprue." The metal die mold is spun horizontally and gives 100% yield of metal in the rough casting.

Ford engineers and designers say that this job of conservation has been largely achieved by concentration on improved production of many smaller parts as opposed to the large units.

They emphasize that accomplishments in one place add substitution experience and develop a technique of devising substitutes extremely valuable in other applications. It gets men looking for better, cheaper ways to make things and to save materials. It is in reality a further development of everyday practice in a mass production industry but the war has brought both greater urgency and pressure, and increased opportunity, through sharply boosted production schedules.

They emphasize also that there are certain limitations on re-designing, although to date about 1,100 design changes have been submitted on the universal carrier alone. When a new job comes into the factory it has to be adapted to Canadian production methods, as it is usually developed first by British ordnance engineers. But this again has to be a compromise between what might be most desirable and what can be done from the repair and replacement and other standpoints.

A prime criterion has to be interchangeability with units in service now. Were this not watched it would be quite possible that existing trailer units in the field, for example, would be found unusable behind Canadian-made tractors, because the vacuum brake fittings on the trailer could not be connected to those with which the tractor was equipped.

Timber Demand Heavy From Postwar Scotland

The housing situation in Scotland, which constituted a problem during the period between the last and the present war, is now a matter of real concern to the authorities, according to G. B. Johnson, Canadian Trade Commissioner at Glasgow. It is also of direct interest to Canada, because the demand after the war for Canadian timber, and for prefabricated wooden houses, will almost certainly be on a scale never before experienced.

From 1919 to 1939 the number of houses built, mostly by the housing departments of the town and county councils, passed the figure of 300,000. The rate of new construction, however, although stimulated by government subsidies, was not fast enough to overtake the shortage of houses. The cessation of building during this war has aggravated the problem.

In addition the destruction and damage caused by enemy air raids has to be made good. The number of new houses needed is, according to the Secretary of State for Scotland, little short of 400,000. Of this number about half are required in the Clyde Valley, and over 90,000 in Glasgow.

Big Postwar Programme

When this extensive construction programme is launched after the war, the demand for imported timber will be correspondingly great. The Canadian lumber of principal interest in connection with Scottish municipal housing schemes is British Columbia Douglas fir, which is used both for interior trim and for rough joinery or carcassing. Eastern Canadian spruce for house carcassing has been used to a limited extent, and only during the years immediately prior to the war. It was used extensively in the construction of the buildings of the Empire Exhibition at Glasgow in 1938, when about 95% of the timber used was Canadian.

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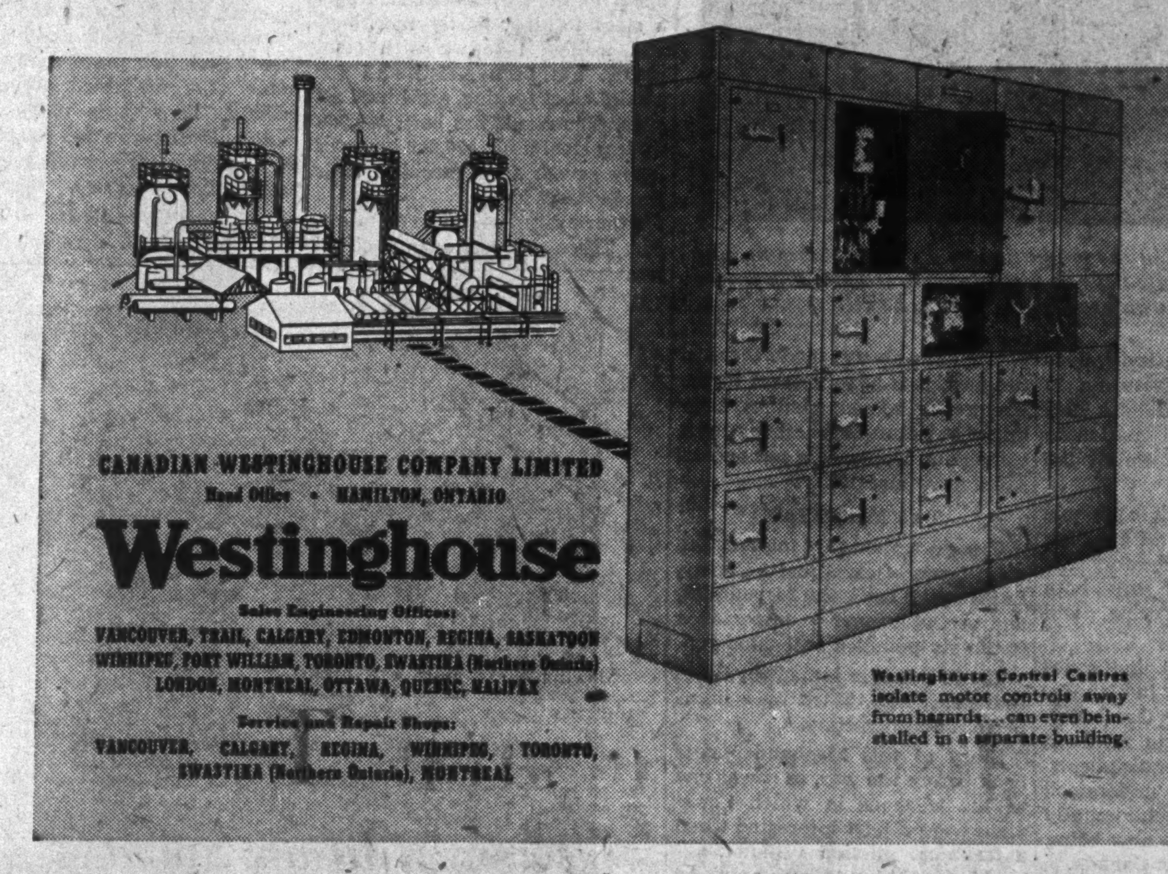

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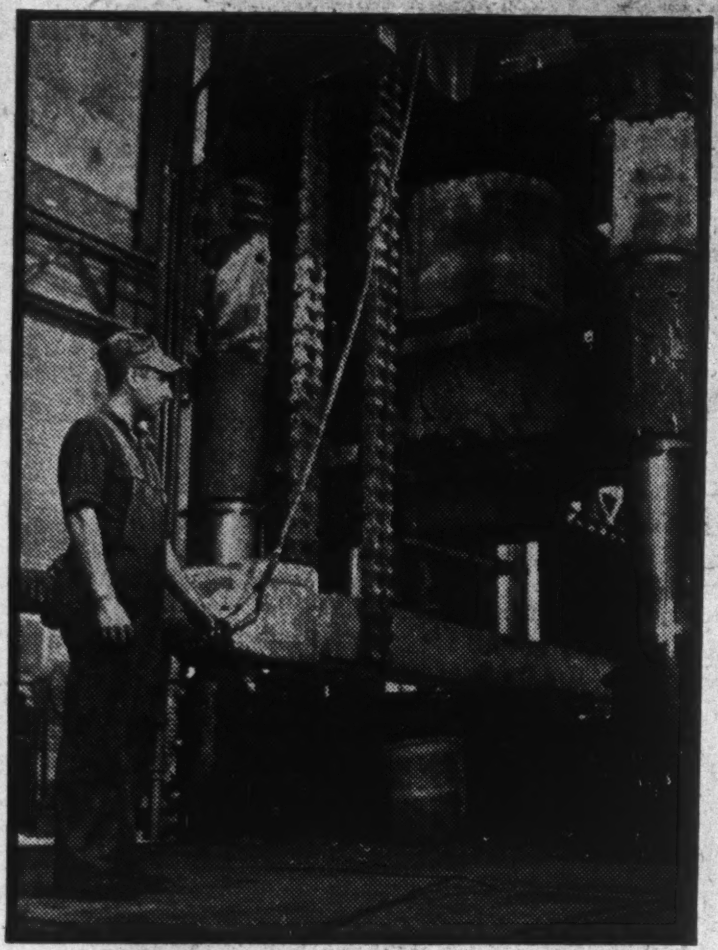
Army Guns

Gun Makers Face Year of Changes

Past Accomplishments Establish Efficient Industry



Here's an early stage in the production of a 25-pounder gun. The unwieldy piece of white hot raw metal is being fed into a powerful stamp, which will shape it into a barrel.

Emphasis in arms output in 1943 shifts from guns to the means to carry them to fighting fronts — ships and airplanes. This is expected to mean lessened emphasis on some items now in production. Gun plants offer reasonable conversion chances in postwar period although adapted best to heavy industry production. Saving of costs and materials receives increasing attention with millions of dollars in costs, thousands of pounds of critical materials and thousands of hours of labor already being saved.

Last year saw dramatic developments in gun manufacturing in Canada. Measured in dollars, 1942 production of guns and small arms at $227 millions was almost ten times that of 1941.

This year, however, it is possible that the manufacture of guns for the army will be considerably curtailed in favor of more ships, both naval and cargo-carrying, and more airplanes.

The reason is that industries producing army guns in Canada, the United States and Great Britain have been able to turn out more than current requirements. Because of this, it is understood that production will soon virtually cease on certain types now being made on a large scale in Canada.

This decision has not been taken lightly. It is the product of much thought and planning in the main United Nations councils. It is no reflection on the effectiveness of the guns. It is merely the result of appraising the relative merits of having more guns than we can use and transport to battle areas or an adequate number of ships.

Postwar Problems

The fact that this is happening already highlights what will become a much more acute problem after the war. It will be necessary to convert specialized plants, on which many millions of dollars has been spent, from the manufacture of army guns to that of some peacetime product. Like other conversion jobs, it will not be simple but it has a number of possibilities.

Basically, a gun-making plant has a factory building or buildings crowded with many very expensive and highly specialized machine tools. It is in these machine tools that the problems and the opportunities lie.

Lathes that are used to machine gun barrels might fairly easily be converted to make axles for railway cars or shafts for cargo ships.

A conversion of this nature might be very handy right now. There is serious need for repairs and replacements on the Canadian railroads. While existing plants have always made these in the past, it is possible that in the emergency some added capacity might be helpful. Whether such a conversion would be a permanent solution is uncertain.

Two Main Types

Canadian plants are making two main types of guns for the army. Leading the list is the 25-pounder, and probably next in importance is the six-pounder anti-tank gun.

The 25-pounder is made by Sorel Industries Ltd., aided by a number of subcontractors.

Story of this 25-pounder goes back before the war, as it was one of the weapons in which Canadians were chiefly interested when a technical mission visited England before the war broke out. As a result of this, the first contract to produce 100 guns for the British Government under patents held by Schneider of France was given but the plant was still a long way from being ready to operate when France fell.

Government Takes Over

Canadian and British Governments stepped in, put up more money and a committee for management. Chrysler Corp. of Canada was asked to give engineering assistance and first guns actually started to roll in July, 1941.

Altogether, public investment in this plant is now placed at upward of $15 millions. This fact brings up the question of who is to own these plants built by public money after the war. One suggestion which may receive serious consideration is that Canada should continue to have a kind of nucleus armament industry, even after the war. We should perhaps combine our gun production in one plant, our small arms production in another and keep these going on an experimental and production basis, even at a considerable cost.

Anti-tank Guns

Canada's other major army guns, the six-pounder anti-tank weapons, was developed to replace a previous two-pounder gun which became obsolete and ineffective. Dominion Engineering Works, Ltd., and Regina Industries, Ltd., the latter a subsidiary of General Motors Co. of Canada, are producing this anti-tank gun. The former had been given capital assistance of $15.5 millions up to July last year and the latter had received $3.9 millions to produce the carriages for these guns.

Saving Materials

Over the past year, increasing attention has been paid by gunmaking firms, like other war material producers, to the question of conserving materials and labor. They have, moreover, remarkable achievements to report.

Taking the 25-pounder as an example, substitution in the guncarriage of milled steel plates, cut to size, stamped and welded, for nickel steel plates which have been stamped, formed and riveted, has resulted in an annual saving of 2,000 lb. of nickel, 150,000 hours of labor, six machine tools and $850,000.

On another item, the trunion band for the 25-pounder carriage, a steel forging, partly machined and welded together with steel plates, has been substituted for a solid steel forging, machined all over. The result has been 120,000 lb. less steel used, 150,000 hours of labor saved, four machine tools and $650,000 in cost.

Other examples can be mentioned. There is, for example, the wheel hub for the 25-pounder. This used to be made from a steel drop forging machined all over. The original forging weighed 55 lb. Now it is made from malleable cast iron which is only partially machined and the original casting weighs only 31 lb. As a result, 740,000 lb. of steel are saved, 35,000 hours of labor is not needed, two machine tools can be diverted to better uses and $310,000 in costs do not have to be paid. The wheel hub plate used to be made of a machined aluminum casting. Now it is made from malleable cast iron and 189,000 lb. of aluminum are saved and the cost reduced $202,000.

Unit Costs Reduced

In April, 1942, a complete 25-pounder equipment, consisting of one gun and carriage, two trailers, sighting equipment and ancillary stores cost about $28,200. This included $14,263 for the gun and carriage as produced at Sorel, another $9,000 to cover cost of ancillary and free issue stores required to complete the gun and carriage, $3,000 for two artillery trailers, including ammunition trays and free issue items and $1,200 for the sighting equipment made by Research Enterprises Ltd. At that time this cost was being reduced approximately $300 each month.

On the six-pounder anti-tank gun, a similar record has been achieved, although detailed figures have never been issued.

New Extensions By Power Firms Restricted

Extension of lines by the power industry has been curtailed by government order to conserve metals

In January, 1941 there were $546 millions invested in lines, almost one third of the capital employed by the central electric station industry.

Of 75,000 miles of pole line, approximately half was in Ontario, about 18% in Quebec, 7½% in British Columbia, 5½% in each of the Prairie Provinces and the balance in the Maritimes.

In prewar days the industry was mainly concerned with opening new areas. With the outbreak of war there was a sharp turnover, and the erection of lines was mainly for war industries and military establishments, although the opening of new areas and the taking on of additional customers continued to some extent.

Since last fall government restrictions have practically prohibited the extension of electrical utility services to non-war customers except where they are located within a few feet of a distribution line.

Over the last two years there have been no major transmission or distribution line programmes carried out in British Columbia or Saskatchewan. In Alberta, Calgary Power Co. built a transmission line from the Minnewanka Lake development to an electrochemical industry near Calgary.

In conjunction with the Department of National Defense, the Manitoba Power Commission has constructed transmission lines to serve air fields and other defense projects and to relieve overloading on existing lines heavily taxed because of wartime loads.

Because of the industrial effort in Ontario and Quebec, construction of new lines has been on a relatively large scale.

During 1941 transmission circuits constructed by Ontario Hydro consisted of 12 miles of 110,000 volts; 37 miles of 13,000 to 44,000 volts, and 74 miles of rural circuits.

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Approximately 60% of the total available water power resources and more than 80% of the developed water power in Canada are located in the highly industrialized provinces of Ontario and Quebec, in which there are no commercial coal deposits.

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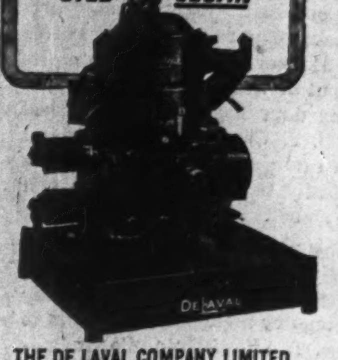

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(2) A water can which holds 16 ounces of water and which has been subjected to temperatures as low as 15 degrees below zero without breaking.

(3) A chocolate ration bar which will stand heat to a temperature of 212 degrees without melting.

(4) A chocolate tablet ration which is 70% whole milk, is palatable, and will stand up to sterilization.

(5) A small food container only slightly larger than a sardine tin which holds 12 of these tablets, 12 concentrated biscuits and two bars of chocolate (enough to last a man two days) and which, upon being emptied, becomes a drinking cup with ounce and two ounce measurements on its side.

Already 25,000 of the new containers have been ordered into production.

It is planned to place four on each 10-man raft and eight on each 20-man raft. The rations are lashed in place in special compartments on the rafts and floats.

The tins are designed to get the greatest concentration of food into the smallest possible space.

Into each main ration box goes eight tins of water, eight tins of food and eight packets of extra ration food in the form of malted milk tablets.

There is only one set of instructions printed on the side of the container: "Eat Slowly." High caloric content of the concentrated foods makes this imperative.

Ammunition for Victory

Two Million Projectiles a Month

Value of Canada's Shell Output $214 Millions in 1942

Canada now has more than 200 plants turning out shells with a capacity of two million rounds of heavy ammunition a month. Last year they produced $214 millions worth of projectiles—143% more than in 1941—and had a dollar output greater than either the newsprint or the gold mining industry.

Here are three reasons why it was possible to develop shell production so rapidly:

1. Canada had the "know how" and a certain amount of equipment when the need was greatest. Shell manufacturing started as early as 1936, with National Steel Car working on an educational order.

2. Canada quickly realized the importance of eliminating unnecessary and expensive machining for the inside of shells. The forged shell technique was adapted to almost every type turned out. Developed in Canada, the one-shot forging process meant greater efficiency.

3. Production in Canada of the Hepburn shell lathe has facilitated rapid expansion of output. This lathe can be manufactured in plants which are not designed for machine tool manufacture; its fame has spread through the Empire and is regarded as standard shell-making equipment in Britain, India, Australia and other countries.

Large-scale Production

Large-scale production, estimated at six times that of the last war, has been important in securing efficiency.

During 1914-18, shells were made in quantity in the Dominion, but it was not until late in the conflict that the more difficult components and assemblies, such as fuses, were produced to any marked degree. This time we are turning out the finished product in every category.

The completed round of ammunition has three main parts: the cartridge, which holds the propellant; the shell, loaded with TNT; and the fuse, either percussion or time, which detonates the shell.

To carry out the complete shell-making process, Canadian factories are fashioning large quantities of shell components—12 types of fuses, 14 types of cartridge cases, two types of gaines, and six types of primers. One type of percussion fuse has 25 parts.

28 Ammunition Types

A much wider range of ammunition is being turned out this war than the last. Altogether 28 types are being made in 15 calibres, varying from the small shell for the aircraft cannon to the big 9.2-inch howitzer and naval shell. This broader range means greater complexity of equipment, especially for components.

Brigadier D. E. Dewar, Director General of Arsenals, said not long ago:

"We are now standing on our feet in the matter of components. We formerly had to import many of the necessary components because equipment to make them was not available in Canada. Now we not only have the complex equipment but many of our own factories for making many of the machine tools."

Boost Brass Capacity

Manufacturing capacity for certain basic materials essential to the ammunition programme has been increased tenfold. Two government-owned brass mills were put in operation during 1941, so that this metal (for cartridge cases) would be produced at more than 10 times the rate existing prior to the war.

Small peacetime arsenals are now estimated to have mushroomed over an area equivalent to that occupied by a fairly large town. But the bulk of the programme has been accommodated in peacetime plant, in some instances in plant formerly devoted to manufacture of railway cars and locomotives.

Under M. & S. Branch

As shell manufacture has expanded, management has also undergone evolution. Before the war there were no facilities in Canada for the production of ammunition other than an arsenal in Quebec and two small pilot plants erected in 1937 and 1938 for the Department of National Defense and the British Government. Then the Department of National Defense made most of its ammunition in Dominion plants or bought it from the United Kingdom.

But as conditions changed, administration of this key part of our war programme was transferred to the Department of Munitions and Supply. During the third quarter of 1940, the Canadian munitions programme was again expanded, orders for shells were virtually doubled, and the Munitions and Supply Department created the Munitions Production Branch. Production continued to accelerate and the Munitions Production Branch grew four new branches, of which the Ammunition Production Branch is one.

Besides placing orders for output, the Department of Munitions and Supply has spent nearly $100 millions on plants for ammunition, bombs, and mines, together with the facilities to provide raw materials for these plants. Most of the shell-making equipment in use is owned by the government.

Output Easier Now

Large stocks of shells have been accumulated in the United Kingdom in anticipation of a second front but consumption remains on the light side so far. Shipping space has been at a premium and precedence has been given to products needed now. In some categories, shell production is momentarily not receiving such emphasis as formerly. However, if a second front is opened this spring, and a decisive victory isn't scored in the first few months, a demand for shells in unprecedented quantities is expected.

Our Technique Improved

The immediate course of our shell-production programme is difficult to forecast but, for the postwar, shell production experts say shell production has brought a vast improvement in knowledge of metal-working methods—methods which will be valuable for years ahead. Advances in experience have been equalled by nothing since Taylor's fundamental studies, which remained the standard treatise on cutting tools for 50 years.

To meet shell-production requirements, steel capacity has undergone major expansion and Canadian dependence on imported steel can be expected to be relatively less after the war, as a direct outcome.

Brass production facilities fit in with Canadian production of copper and zinc, the two chief constituents of this alloy. The brass now going into shell cases may be used for superior types of piping, hardware, name plates, etc., after the war.

Lose on Equipment

Shell-making equipment may have limited peacetime applications. This fact has been reflected in government purchase of most if not all of this type of equipment. Many of the forging machines may be largely worn out by the time the war is over. Some hydraulic presses, however, might find a place in the automotive industry. But for the first year or two, the automotive industry will likely use its old dies and a place may be found for a large number of presses.

Chance for an Inventor

Single purpose machines, such as the Hepburn lathe, have been made for just one job. They are doing that job now with the precision machining of shells, and may be difficult to convert to any other purpose. Handling equipment, conveyors, air hoists, and a substantial quantity of other subsidiary equipment, however is of a character to be gradually absorbed by industry generally.

Firms which are household names in Canadian peacetime activity—Massey-Harris, National Steel Car, Steel Co. of Canada, Dominion Foundries, Dominion Bridge, Canadian Car & Foundry, Montreal Locomotive, and many others—are playing key roles in turning out shells. Many of these firms are the possessors of new buildings, well constructed, to take care of heavy shell-making equipment. These buildings may link in well with the postwar activities.

One of the features of the war this last year has been our inability to keep up with the demand for such things as agricultural equipment, freight cars, street cars, and a host of other things normally regarded as essential. With this backlog of demand built up, conversion of shell plants to some form of peacetime activity may represent the salvage of an important section of a wartime industry. Expansion of machine tool production facilities to take care of the demands of the shell industry may have an important implication for peace also. It may mean quick installation of peacetime tools in wartime shell plants, with no machine tool "bottleneck" to worry about when peace comes.

Development of shell production in Canada has been one of the most spectacular phases of our whole industrial war effort. Today more than 200 plants are making heavy ammunition of all kinds. They have a proven capacity of two million rounds a month, and the value the output of either the newsprint or the gold mining industry.

Canadian factories are helping clear British skies of enemy aircraft. This machinist is placing a Bofors anti-aircraft gun casting in a lathe. The Bofors fires with machine gun rapidity, calls for the best in material and craftsmanship.

New Books

Rebuilding Canada

RECONSTRUCTION IN CANADA. Edited by C. A. Ashley. Published by the University of Toronto Press, 1943. Price, paper, $1.

This volume of ten special lectures by staff members of the University of Toronto is invaluable background reading for all concerned with Canadian reconstruction problems. Each field is dealt with by men who are recognized authorities and the principles which they set forth provide a useful foundation on which subsequent and more specific planners and policymakers can build.

Chapter headings show the scope of the volume: International Economic Collaboration, Democratic Institutions, Soil and Water, Forest Resources, Water, Its Use and Control, Construction Projects, The Social Services. Housing and Town Planning. More general lectures opened and closed the series and the editor contributes an introduction and a bibliography.

For Lasting Peace

VICTORY IS NOT ENOUGH. By Egon Ranshofen-Wertheimer. Published by Norton & Co. Price $3.

This volume sub-titled "The Strategy for a Lasting Peace" is a vigorous piece of realism from a man who was an Austrian aviator in the last war, a foreign correspondent, a diplomat and who is now professor of international affairs at the American University, Washington, D.C.

To his mind, the world will never be safe from Germany unless, this time, the victors undertake a temporary but total occupation of the Reich coupled with and followed by the most gigantic experiment in re-education of a whole nation ever attempted.

The author is very fearful that the United Nations, especially the Anglo-Saxon nations, may lack the political realism necessary to guarantee and make good their victory; that they may again think force and the weapons to make it good, are unnecessary.

U. S. Odyssey

THE AGE OF ENTERPRISE. A social history of industrial America by Thomas C. Cochran and William Miller. Published by the Macmillan Co. of Canada. Price $4.

Here is a new history of the United States which handles the matter from a different and illuminating point of view. This book traces social and political development as a product of business and industry.

Valuable and interesting are the many quotations from contemporary sources as illustrations of conditions or opinion at any given time.

One example will illustrate the authors' approach:

"The achievements of American architecture in the Twenties were directly connected with the large volume of American savings and the great advance in American technology. We have seen how corporations invested undistributed profits in new office buildings, factories and laboratories while their officers built suburban homes and contributed generously to the erection of schools, colleges, hospitals and museums. All this gave greater opportunities to architects than ever before in history."

Readers of this 360-page volume will have an interesting time and they will get a useful demonstration of the essential inter-relationship between all man's activities.

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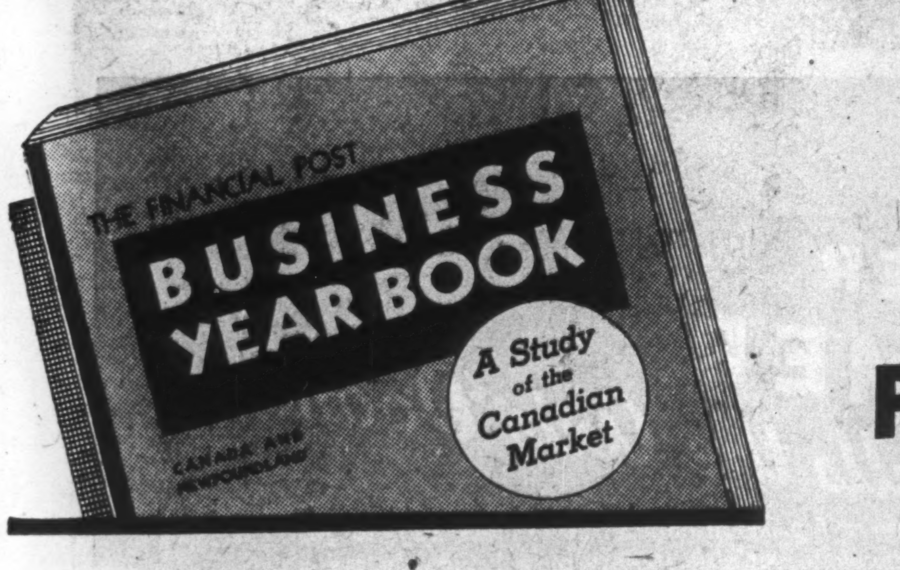

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CHEMISTRY HELPS TO WIN THE WAR

When light strikes a surface, high in reflection value, it bounces back like a rubber ball. But dark, dingy surfaces absorb light; they blot it out.

In many industrial plants and factories across the country the secret of keeping light bouncing has meant great savings in electrical power used. Ceilings, walls and floors have been turned into huge reflectors by painting with light reflecting finishes. There are no dark surfaces to blot out the lumens (units of light). With no increase in power, there have been important increases in illumination.

Today, conservation of electrical energy is essential to Canada's industrial effort. The amount of power available is definitely limited. It must be made to go as far as possible. "Bouncing Light" helps to stretch our vital supplies of power.

The Paint & Varnish Division of C-I-L produces finishes of high quality and durability. Executives interested in the possibilities of "Bouncing Light" may take advantage of the Division's knowledge regarding the use of paint in salvaging waste light for Victory.

CANADIAN INDUSTRIES LIMITED

Manpower Problem

Labor Problem As Seen In the United States

Baltimore Survey One of First Accurate Portrayals of a Situation that Still Bedevils War Output Both Sides of the Border

Canada's search for manpower has largely, if not entirely, been carried out by the Dominion authorities, aided by local administrators. The significance of the following article is that it reveals a possible alternative, a method of solving the manpower problem by starting from the local reservoirs and working to the general picture.

Theoretically at least, the modus operandi here outlined has basic advantages. It tackles the problem where the problem is situated, tends to reveal many local pools of labor, and many barriers to the full use of the nation's manpower that might not be disclosed in a system working "from the top down."

Baltimore a "Guinea Pig"

Admittedly, the situation in Baltimore is substantially different from that in most Canadian cities and towns. Baltimore has large numbers of negro workers who were not readily employable. But there have been charges of discrimination in Canada, and the basic problem of fitting types of workers who had not previously been employed into the modern industrial picture, of training workers from one industry to work in another, are fundamentally similar. The study in Baltimore has been presented in Public Affairs Pamphlet No. 75. Prepared by Sanford Griffith under the title, "Where Can We Get War Workers?" the study appeared at the beginning of this month. Says Mr. Griffith:

During the past few months we have come to realize that we are seriously short of labor in this country, particularly of skilled labor. The war has necessitated a tremendous increase in factory production. The finding of men and women capable of carrying on the vital jobs in our war industries and discovery of the best ways to train them have presented many problems; and the task is bound to become more difficult each month that the war lasts.

The extent of this task may be seen by contrasting our present war effort with that of England. If the United States with its 130 million people were mobilized for total war in the same proportion as is England, we would now have in our combined war production and fighting forces some 60 million persons. Actually we have less than one third of that number at the present time (Nov., 1942). Comparison with our enemies would show us undermobilized.

The Baltimore Area

Baltimore and the surrounding area were chosen for the study because of the great variety and complexity of the war production problems existing there. Baltimore has enjoyed an industrial boom as a result of the war. It has had a good slice of war orders and has suffered a series of bad headaches as a consequence. It is a city, too, of good size with many consumer-goods industries.

There was a second important reason for choosing Baltimore. The federal government had selected it in May, 1942, as the first city in which to try out the effectiveness of the government's voluntary manpower efforts.

The survey was made during the third quarter of 1942, to Sept. 15. It shows that the efforts of the War Manpower Board in Baltimore to give voluntary manpower control a full and fair trial were producing some results.

As a war industry town Baltimore has enjoyed a real boom. The city has grown in a few years from a population of less than 1,000,000 to about 1,250,000. At the end of 1939, total manufacturing employment, including clerical, shipping, and other employees, was about 150,000. In May, 1942, total employment had jumped to 251,000, an increase of two thirds, and four out of five workers were engaged in war industries. This growth can be seen from the accompanying chart of wage earners employed in war industries alone.

Nonessential Jobs

An analysis of Army draft questionnaires revealed that a number of those who filled out the questionnaires had had experience of possible value to war production. These men had worked at jobs requiring skills essential to the war effort for an average of seven years; several as long as 20 years. Half of them had given up these jobs during the depression years, approximately ten years ago. Their hidden talents are often discovered only when the Army prepares to induct them into military service. No mechanism exists under the voluntary system to mobilize for industrial service the men who have not been called up for the Army.

Samples were taken at random from three letters of the alphabet in the files at the United States Employment Service Office of persons employed in nonessential jobs who had declined offers to fill vacancies in war industries during the five months ending July 31, 1942. Obviously, many of the jobs do not have even a remote usefulness for the war effort; most could be filled by others, and some could just as well be dispensed with altogether for the duration.

Disclosed Skill	Present Job	Time in Earlier Skill years
Seaman	Small shop tailor	20
Seaman	Receiving clerk	9
Ship fitter	Meat salesman	10
Ship fitter	Letter carrier	18
Ship electrician	Bartender	20
Ship painter	Laundry presser	13
Ship rigger	Grocer	12
Boat builder (wood)	Musician (radio band)	16
Marine engineer	Sales manager	8
Tool designer	Retail meat cutter	7
Marine draftsman	Interior decorator	7
Structural draftsman	Wholesale lacquer salesman	10
Electrical assembler	Taxi driver	8
Fuselage frame builder	Jewelry salesman	5
Machinist	Wholesale confectioner	2
Outside machinist	Tavern owner	1
Airplane mechanic	Sign manufacturer	20
Motor analyst	Retail electrical salesman	10
Metallurgical and civil engineer	Letter carrier	3
Machinist	State auto license inspector	20
Machinist	Letter carrier	16
Screw machine operator	Beer bottler	8
Radial drill press operator	Barber	25
Turret lathe operator	Notions storekeeper	20
Engine lathe operator	Movie operator	14
Lathe operator	Bartender	3

With so impressive a list of essential talents neglected, a preliminary check was made to determine why men with experience had not already gone back into their old lines of work.

Of those interviewed it was found that two out of three persons working on jobs remote from the war would take war jobs if they felt that they were needed. Most of the remainder felt that their present work was more important or gave them more pleasure. Some feared their businesses would fold up if they had to go into war work. Several thought that what they were doing was as important as any war work. Others preferred to wait until they were drafted.

There are more white women than men in the Baltimore area. Yet only one third of the white women of working age are gainfully employed, and only a very small proportion of them are in war industry or in industry of any kind. Women employed in the 20 leading Baltimore plants are far behind the proportions employed in other warring countries. Why is it that a city with such a large volume of war orders secured so early has failed to attract and make effective use of women in the war effort? For answers to this question, local and federal authorities, employers, and the women themselves were consulted.

In a random test poll of white women, aged 18 to 50, who had lived in Baltimore for an average of ten years, only one in four had jobs. Only one in four had even been asked whether she would consider taking a war job.

Colored Labor

The colored population of Baltimore is the second largest reservoir of labor. The city has 225,000 colored people, which is about 20% of the total population. Only 7% of them are actually employed in Baltimore's war industries today. With an acute shortage of 59,000 workers to be filled by the end of 1942, the Negro population could help materially to fill the gap. At least 25,000 to 35,000 male Negroes were more or less qualified for immediate factory jobs. Some 20,000 Negro women were employed in domestic service at an average wage of $10 a week. In addition, more than 30,000 colored women of working age were unemployed. Many have handicraft skills that could easily be adapted to war production. Half of the white workers moving into Baltimore are unskilled and are taking jobs that could be filled by local Negroes.

One reason why more colored labor is not employed in Baltimore has been the refusal of whites to work with Negroes. This color prejudice reflects the attitude of the South and is shared by both management and unions.

This discrimination has brought about a considerable migration of colored labor. In the year August, 1941, to August, 1942, some 7,000 workers came into Baltimore, chiefly from southern cities, looking for high-paid war jobs. At the same time, numerous Baltimore Negroes who had received some technical training were migrating to points farther north where there is less color discrimination. Such displacements inevitably entail costly travel and additional housing and training outlays in both places.

Labor Turnover

Labor turnover is nearly 50% in some of the big war plants in Baltimore. It was estimated that one mass-production plant would have to hire 19,000 new workers by the end of this year in order to increase its plant force by 4,000, its minimum requirement; another plant figured on 38,500 to meet its minimum requirement of 19,000. Actual experience showed that the first of these estimates proved too high but that the second was too low.

The principal explanation of this high rate of turnover is the lack of housing. The personnel director of a large Baltimore company blames from 25 to 35% of its turnover of 50% on housing. This is merely an estimate. Labor relations at this plant are bad. But the housing shortage is undoubtedly a factor.

The Results

The outstanding conclusions from the Baltimore survey are that, as of Sept. 15, 1942:

1. No over-all inventory of Baltimore's potential labor resources and skills had been made.

2. Acute shortages in special skills were not being met.

3. There were many workers with skills that could be revived again with adequate training.

4. No large-scale intensive vocational or technical training had been developed that was adequate to meet Baltimore's needs.

5. The Training Within Industry programme was far from being in general use and far from meeting the requirement for creating needed skills.

6. Despite the delays in getting industrial manpower mobilization started, the outlook is not wholly dark. Although the cream has been skimmed off the labor reservoir, there are still untapped local reserves.

7. Full use must be made of women, Negroes, and other minority groups, although this appears difficult at present.

8. Control of labor must go back to the source and include control of its migration.

9. A plan looking toward full utilization of Baltimore's manpower resources was just being put into operation, and its effectiveness is still in doubt.

Thousand Plane Raid Cost Said Very Heavy

Each Uses Fuel Capacity of Small Tanker; Loss of Aircraft Runs to £2 Millions and Loss of Men to 350.

What's the cost of 1,000-plane bombing raids on Germany? A British aviation expert made a study of the question recently and arrived at the following conclusions—

"Assuming a 5% loss ratio, made up of our average announced losses in the 1,000-bomber raids, plus a smaller proportion of aircraft rendered unserviceable because of landing crashes or of damage from enemy A.A. or night fighters, we may lose, say, 50 aircraft a raid.

"If the average cost of these aircraft is £40,000 each, the total cost in machines amounts roughly to $2 millions.

"Then we must consider the crews. An average of seven men per aircraft represents a loss of 350, whose training "cost" can be reckoned at £5,000 each, or about £1,750,000. To this we must add the cost of bombs and petrol.

"An aero engine uses about eight ounces of high octane fuel per horsepower per hour. Thus it is calculated that not less than a million gallons of high octane fuel is used in a 1,000-bomber raid; that is, about 3,500 tons—the capacity of a small tanker.

"The C.-in-C. Bomber Command and other Air Ministry spokesmen have stated that they wanted enough aircraft to be able to bomb Germany 'round the clock' and night after night. The weather will, of course, prevent this.

"No official estimate has been given of the time such an operation would take. But London was bombed on almost a hundred successive nights. Let us suppose we undertake, say, 90 raids, as soon as weather permits, on the scale that Bomber Command want. Proportionately 90 raids would cost £450,000,000, 4,500 machines, over 30,000 aircrew, and the use of 270,000 tons of fuel for aircraft engines alone. The cost in money does not matter, what counts in war is resources.

"Results are too uncertain for such a gamble as this with such a colossal 'write off.' If we were certain that the war could and would be ended by this means it would take a brave leader—possibly a foolhardy one—to risk it. It would so weaken us in aircraft, in equipment, and in highly trained personnel that at the end we should be left 'wide open' and defenseless in the air.

"In June, 1940, when the Nazis, to their great surprise, found themselves in a geographical position from which they could invade Britain—had they the ships to do it—Goering persuaded the High Command (OKW, as it is called) to let him try to defeat us by bombing.

"Less than a year later the Germans gave it up. I suggest that, in doing so, they were not uninfluenced by such arguments as I have outlined. It is clear that in this case resources dictated policy.

"Thenceforward, the Luftwaffe was tied to the Army and Navy and bombed towns only in mass raids, as at Stalingrad, as part of an Army plan. The expected results had to be definite and rapid to justify the expenditure, in vain though it turned out to be.

"This, then, is one more pointer to the Germans' belief that the decisive place, in which battle between R.A.F. and Luftwaffe must again decide the fate of the world, is in the air above the land-and sea operations area. It is there that we must—and do—concentrate our air strength."

Canadian Paratroops Train at Fort Benning

Canadian soldiers are teamed with United States troops in a Special Service Force. This combined group will provide the nucleus of a force for unified operation in any defensive or offensive operation.

The Special Service Force troops are given instruction in the use of parachutes, marine landings and mountain and desert warfare.

Canadian paratroops are trained at the large United States school at Fort Benning, Georgia.

AIR IN ACTION

Builds Guns

IN GUN PLANTS throughout Canada forgehammers, hoists, machine tools and other equipment are operated or controlled by Air in Action — Compressed Air. Portable Pneumatic Grinders, Chippers, Drills, Riveters, Impact Wrenches and other tools are also used to speed up many operations in gun production.

AIR IN ACTION—Compressed Air—is also an important feature of the recoil operation of modern guns. It is compressed air in the buffer mechanism that absorbs the shock occasioned by firing; preserves stability and makes possible the use of the powerful propellent charges required for long range fire.

INDUSTRIAL LEADERS have found compressed air the answer to many a production problem . . . the wide and varied application of this flexible, economical power medium is helping to step up output of war materials of all kinds. C-I-R air application engineers will gladly discuss with you the advantages of using compressed air to meet production needs of today . . . and of tomorrow, too.

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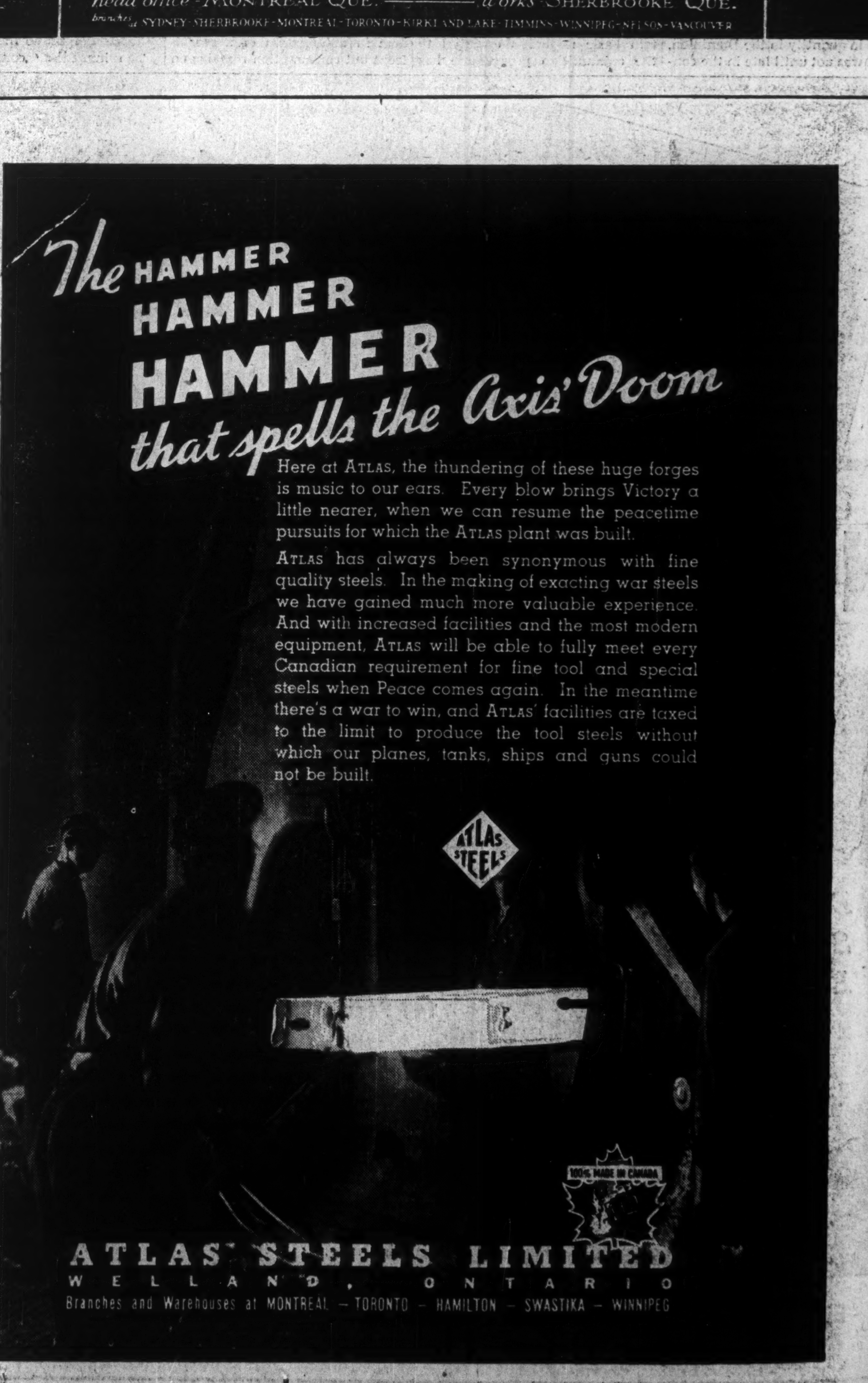

Commercial Travelers

Ambassadors For Business

40,000 Travelers Marshal Home Front Forces

Inside the borders of this Dominion a new army is being given its marching orders. This is an army without uniforms; its only weapons are a talent for observation, ready understanding and contact with businessmen throughout the length and breadth of the country. Canada's 40,000 commercial travelers have become a potent force on the home front, each man an ambassador for business.

To most commercial travelers war has meant a progressive decline in what he has to sell, a corresponding increase in the time available for other tasks. What to do with that spare time and idle talent was a wartime puzzler that the National Committee of Canadian Commercial Travelers stepped into several months ago. From material supplied by the Management Service division of the Wartime Prices and Trade Board a booklet detailing the traveling salesman's war job has been prepared. A copy is now going to every commercial traveler in the country.

Wartime Directive

Directive to the traveler is that he can help to build goodwill and understanding between his company and his customers, keep his company informed of the customers' difficulties, keep the customers informed of the company's difficulties. Aim is to have each traveler become an ambassador at large, diplomatically helping to solve many of the difficult wartime problems of supply and demand.

A particularly important job is seen in the commercial traveler's ability to act as an interpreter of government regulations to his contacts. Many businessmen find it difficult to keep up with all the changes in government regulations; and often they are not sure that their interpretation is correct. By studying the official orders and digesting them, the traveler is in a position to sit down with the businessman and talk over his problems in a constructive way. By becoming a source of authentic information for the businessman he strengthens his contact in anticipation of the time when he will have something to sell again.

"Keep it Going"

Travelers are being told to help spread the gospel of "keep it in service" by repairs, adjustments or by getting idle equipment into the hands of those who can make use of it now. How to carry that out is explained this way:

"As you travel around from one business organization to another, with a little astute curiosity you can gather a lot of information as to how this firm has solved one equipment difficulty, and that firm has solved another. You will come upon many instances of ingenious methods of substituting one piece of equipment for another which has gone out of service. You will find many instances of co-operation between various plants, shops and other business organizations to make one piece of equipment serve two concerns, and perhaps two quite different purposes. You will hear of repair shops here and there which are doing a worthwhile job in overhauling equipment and keeping it in service when it might otherwise have become just so much junk.

"Gather this information carefully; make a file of it; be able to make useful suggestions to your customers as to how they can keep their present equipment in service."

Help Purchasing Agents

For purchasing agents, war has meant purchase of many new, unfamiliar lines; new and comparatively inexperienced purchasing agents have had to be appointed. For all the buyers war has brought heavier pressure; they have had to stick so close to their desks that it's been impossible to keep fully informed on what is going on in the supply and demand situation.

Once again the traveler enters the picture. In their daily rounds travelers contact hundreds of customers—buyers of one thing, sellers of another—thus can get a lot of first class information for harassed purchasing agents. By getting the fullest possible information on the supply and demand situation, not only in his own lines, but in other lines in which his customers are interested, the traveler can help the purchasing agent get what he wants when he wants it, add a further contribution to the war effort.

Equitable Distribution

Equitable distribution of available supplies is another point being stressed. While it is only human nature for a salesman to give first consideration to those who formerly gave him his biggest business, it is pointed out that unless the limited supplies are equitably distributed small buyers may be forced out of business through lack of material and merchandise. That will mean, when the tide turns, fewer customers for the salesman.

The farsighted commercial traveler is discouraging his customers from buying more of anything than they actually need for immediate use or reasonable supply. Unless available supplies are rationed voluntarily through equitable distribution, enforced rationing becomes inevitable.

Management's Problem

Through the traveling salesman another important wartime service is seen as possible—that of helping out management perplexed by trying wartime problems. Some of those problems are unique with certain plants or industries; others such as supply, demand, labor, are common to most.

On his regular rounds the traveler can note how certain problems have affected one management and what it has done to meet them. That experience, without breaking confidences, can be passed on to other customers so that they might anticipate or solve the same problems. When a salesman knows of one customer that has met a wartime puzzler which is stumping another customer, he can get them together, help them exchange views.

War has already meant the introduction of many substitute materials, probably more are on the way. Many of these materials are likely to surpass the performance of that which they have replaced, thus will come to stay. The commercial traveler's contacts will again throw him in touch with those who are using something else to replace unobtainable materials. When the traveler finds a manufacturer who is stymied for a substitute material he can talk to others using similar materials to learn how they are solving the problem.

Canada's 40,000 commercial travelers are being given new marching orders through their national committee. The confidence and contacts that traveling salesmen have built up with businessmen throughout the country make them the logical force for doing several important wartime jobs. Aim is to have every traveler an ambassador at large with his duties including rumor spiking, interpreting government orders, helping harassed businessmen find new methods, new materials to solve their wartime problems.

White Elephants

For some months W. P. T. B. has had a campaign under way to uncover dormant stocks in the hardware and metal trades which has resulted in finding substantial quantities of materials classed as "white elephants" by some organizations that have actually been sorely needed by other companies.

Manufacturing restrictions on new equipment for non-war industries make it very difficult for many firms to obtain replacements when needed. If new equipment cannot be obtained, secondhand equipment which can be reconditioned is eagerly sought. In his newly acquired ambassadorial position the commercial traveler can render business a service by suggesting a thorough housecleaning of dormant stocks of merchandise and equipment so that everything which is not of use to its present owner but which can be made of use to someone else, can be dug up and put into circulation. On his own initiative the salesman may be very often able to find both a buyer and a seller, thus find cash for one company, relieve a need for another.

Similarly, the traveler can act as a one-man clearing house for information on business economy, for ideas on how to save all types of materials—man hours, electric power, gasoline, oil and rubber. Practising what they preach, many progressive firms have already done a real job in rearranging use of cars by their sales force. There have been instances where two and three salesmen, covering the same territory, with different lines, have planned to travel together.

Spiking Rumors

Rumor-hunting has long been regarded as a very special wartime job for the commercial traveler. His new directive makes this telling point:

"If you were a fifth columnist, could you think of anyone better able to spread your propaganda for you than the commercial traveler? Here is a group of men who hold the confidence of the business community, who travel from one end of Canada to the other, who talk to men who matter in every line of business. Could there be anyone who could do a better job in spreading rumor?

"Don't think for one short moment that this fact is not fully realized by those who wish to undermine Canada's confidence in her war effort and Canada's unity of purpose.

"But fortunately the converse is equally true. There is perhaps no group of men in Canada who can do a better word-of-mouth job in spiking rumors than the alert, thinking, and loyal commercial travelers."

With the knowledge that careless talk costs lives, commercial travelers throughout Canada are discouraging rumor spreaders, fighting with truth the subtle propaganda of the fifth columnist, are adopting the attitude that criticism, unless definitely constructive, is definitely destructive.

Included in the wide range of war tools being made in Canada are trench mortars shown here being prepared for shipment. Like other weapons, trench motars are made by plants which hire a large proportion of women and have broken manufacturing operations down into simple stages so that most of them can be performed by unskilled or semi-skilled workers.

—National Film Board photo.

Machine tools are the backbone of Canada's armament industry. Shown here is a shell lathe peeling hard steel as though it were cheese. Canadian-made lathes not only serve in our own war plants but have been shipped to Britain, Australia, India, other countries.

PLASTICS—

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MONTREAL

Has Made Weapons For Three Wars

Producing the weapons of war is no new job for Ottawa Car and Aircraft, Ltd. Founded in 1891, this concern made vehicles for the Expeditionary Forces in the South African War, and, during the war of 1914-18, turned out howitzers and field guns. At the present time, it is busy on aircraft contracts, and has the making of Lancaster components as one of its main jobs.

BIGGEST POWER USER

The pulp and paper industry provides the greatest individual peacetime market for power produced by the central electric stations, as it ordinarily purchases more than 50% of all power sold for industrial purposes.

"Imagine me helping to make rubber tires!"

"WE horses hauled caissons with the best of 'em back in 1914-1918. And darned if *this* war—motorized as it is—hasn't backed right up to our stable doors again. Ploughing, planting and harvesting the grain for high-proof alcohol to make the rubber Hirohito thought he was doing us out of. And folks, take it from us, the United Nations are *getting* that grain, that alcohol, that rubber!"

Synthetic rubber made from high-proof alcohol is jumping out of the test tube and onto the wheels and treads of jeeps, trucks, tanks, gun carriages, and airplane landing gear, outwearing and outfighting the best natural rubber. Unaffected by gasoline and oil, it's going into self-sealing gas tanks, gasoline and fuel oil hose and pipeline connections. It's making rafts, diving suits, oxygen masks and literally thousands of other pieces of war equipment.

Not only is high-proof alcohol used in the manufacture of synthetic rubber, but also it is an essential in the production of high explosives, war chemicals, pharmaceuticals, medical supplies, lacquers, shatterproof glass and countless other war materials. Today high-proof alcohol is pouring from our stills in an ever increasing volume . . . a vital element of Victory!

THE HOUSE OF SEAGRAM

Every Seagram plant in Canada and the United States is engaged 100% in the production of ALCOHOL FOR WAR

Employee Relations

Quarter-century Without Strike

Bell Phone Employees' Union Has Proven Itself Since 1919

—Bell Telephone Photo.

Here is shown Bell Telephone's eastern division plant department joint conference group in action. Representatives of management and employees are, reading clockwise: Miss R. A. Hamilton, recording secretary; H. J. Bennett, secretary, central office man, representing eastern Ontario district; G. Streeter, splicer, representing provincial district; H. N. Bronson, personnel supervisor of General Plant; F. C. Quinn, splicer, representing Division Construction Department;; M. D. Decelles, tester, representing Quebec district; D. H. McDougall, division plant superintendent, eastern division; K. B. Crysdale, records supervisor representing clerical and engineering group, Eastern Division plant; P. L. Dolan, chairman, P.B.X. installer, representing Ottawa district.

In recent weeks strong opposition has been expressed by both the A.F.L. and the C.I.O. to so-called "company unions," plant councils or works councils. The trade union viewpoint is that these cannot be free of management domination, should be outlawed. However, in a great number of cases they have proved their worth; are strongly supported by workers.

Since 1919 negotiations between the management of Bell Telephone Co. of Canada and some 5,000 employees have been carried out through a plant council. There have been no strikes in this period.

Purpose of the Bell Plant Department Plan of Employee Representation is to provide regular channels for discussion between management and employees, through the duly elected representatives, on all matters pertaining to employee-management relations and, in particular:

1. To assure that the employees' viewpoint is presented and given consideration by management before any changes to wages or working conditions become effective.

2. To provide additional opportunities for the interchange of views on company policies and operations.

No Discrimination

Workers are guaranteed that they will not be discriminated against for any action taken in the performance of their duties as outlined in the plan. Any worker who might feel that he has been discriminated against has the right to appeal to the president of the company. The plan does not prevent an employee from presenting his individual problems to management.

Among other things, the Bell Telephone accepts as the general employee viewpoint the opinions expressed by the elected representatives. Committee meetings are all held on company time and the company bears all expenses. The company notifies the representatives of the voting units concerned, when practicable in advance, of any action by management which results in dismissal, disciplinary action, transfer, reclassification or promotion of an employee.

Any employee in the plant department has representation under the plan. A voting unit is composed of employees within a group or craft or those associated geographically in a district. Each voting unit elects its own representative for a period of one year, each representative not to represent more than 50 regular employees. Each district joint conference committee is composed of the district committee of employee representatives, the senior management representative and one other management representative appointed by him.

Since 1919 the Plant Department Plan of Employee Representation has worked out satisfactorily as a medium of negotiation between Bell Telephone Co. management and employees. With a quarter-century record of no strikes, this is seen as providing an effective answer to those who decry unions in which management plays a direct part. The plan itself actually represents only a part of a broad scheme for improving employee relations that Bell has worked out over the years.

The Bell Telephone plan of employee representation is one phase of a wider employee relations programme. Company management has realized that it has a particularly important job to do here because of the nature of its relations with the public.

J. H. Brace, Bell vice-president, has said that there are three main phases of a public relations programme which are associated with the employee's contribution to an ever-improving service:

1. All employees are human and their human desires and fears and influences must be reasonably dealt with.

2. All employees must be thoroughly informed about the company—its policies and aims and their underlying reasons. They must also be thoroughly informed about their job and the part they play in the whole scheme.

3. They must have the tools—the practices and procedures which will enable them to meet and satisfy the reasonable demands of the public individually and collectively.

Attitude of the company, as expressed by Mr. Brace, is that the extent to which employees can be expected to have a favorable effect on an industry's public relations is in direct proportion to the quality of the company's employee relations.

Out of some 63 years' experience Bell Telephone has found that satisfactory relations are based on a number of factors. It has found that the employee is concerned with:

1. Being on a job he likes or is "suited for."
2. Knowing whether his work is satisfactory.
3. Knowing that his qualifications are considered when a better job is available.
4. Having confidence in management's methods.
5. Miscellaneous personal problems, i.e., adjustment of the individual to his job, his boss, the company and to himself.
6. Having confidence that management gives due consideration to comparable jobs in other industries when considering wage adjustments.
7. A desire to have conditions of employment similar to those of other comparable groups.
8. A desire to be able to express collective employee opinion re wages and working conditions to management.
9. Worry. About sickness, accidents, unemployment, old age, death.

The final five "worries" cover the problem of employee security, something of much current interest in view of the Beveridge report and similar documents.

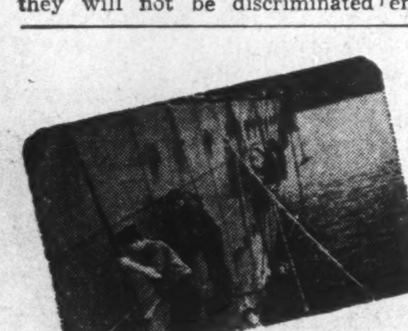
Concludes Mr. Brace:

"There may be degrees to which these problems in human relationship can be met by any organization at any time, but they are at all times a responsibility of management and should be recognized as such. The owner of the business, in the final analysis, is investing only his money. The employee is investing himself. He has a major stake in the success of the enterprise and naturally looks for satisfactory progress for himself."

Norwegians Resist Nazi Overlords

Norwegian resistance to the Nazi invaders is showing itself in many ways. For instance, there is no talk of sending Norwegian workers to toil in Germany's war factories. The labor position in Norway has become so difficult that many thousands of foreign workers have had to be sent to Norway instead.

At every move the Nazis make in Norway, according to the press attache of the Royal Norwegian Government in Canada, they have to reckon with the reactions of the workers. Passive resistance is widespread, with the result that the productivity of labor has sunk to an absolute minimum.



CANADA BUILDS AND PAINTS

Canada's 500 ships of war. Before the war, Canada had only 15 ships in her Navy. Now she has more than 500. This expansion is an accomplishment of which any nation might justly be proud . . . These 500 ships require paint, much of it specially designed to meet the peculiarly strenuous conditions of Canada's war at sea. To the task of supplying this paint, International has wholeheartedly devoted the trained efforts of its chemists and the technical equipment and training of its worldwide organization.

D.N.D. Naval Service Photo

—Drawn for U. S. Office of War Information.

U. S. Trains Personnel To Keep War Records

Military Operations Intensify Need for Operators of Electrical Tabulation Machines; 5,000 More to be Hired This Year

In the United States, an opportunity for greater civilian participation in the war effort has been made available to women and draft exempt men through expansion of the War Department's machine records training programme.

Military operations have intensified the need for accurate, swift record keeping. Guns and ammunition must be manufactured, transported to the war areas and issued to the armed forces. Clothing, food, supplies, medicines and other material must be gathered from thousands of places in the United States and sent to the battle areas.

Successful handling of this important task depends largely on up-to-the-minute knowledge of details made available by the machine records programme and it is in connection with this important task that the War Department plans to train new workers and give advanced training to others who have proven deserving of promotion.

Electrical tabulating machines, located in various machine units throughout the country, are used in preparing these reports. The need for skilled operators is increasing constantly and it is expected that 5,000 trained office machine operators will be needed.

The machine records training programme is being handled by the War Department's Services of Supply and will be under the direct supervision of the Civilian Personnel Division, Services of Supply. Accepted applicants will be given an opportunity to become qualified keypunch, tabulating and machine records' operators.

Each of the nine Service Commands in the United States has been requested to hire persons each week during 1943 for machine records work. Employees so engaged will have the opportunity after training of transfer to Washington.

Feel Out Ottawa On Steel Mill

VANCOUVER.—British Columbia, fighting for establishment of a steel mill on the west coast, is still trying to ascertain the Federal Government's attitude toward the project.

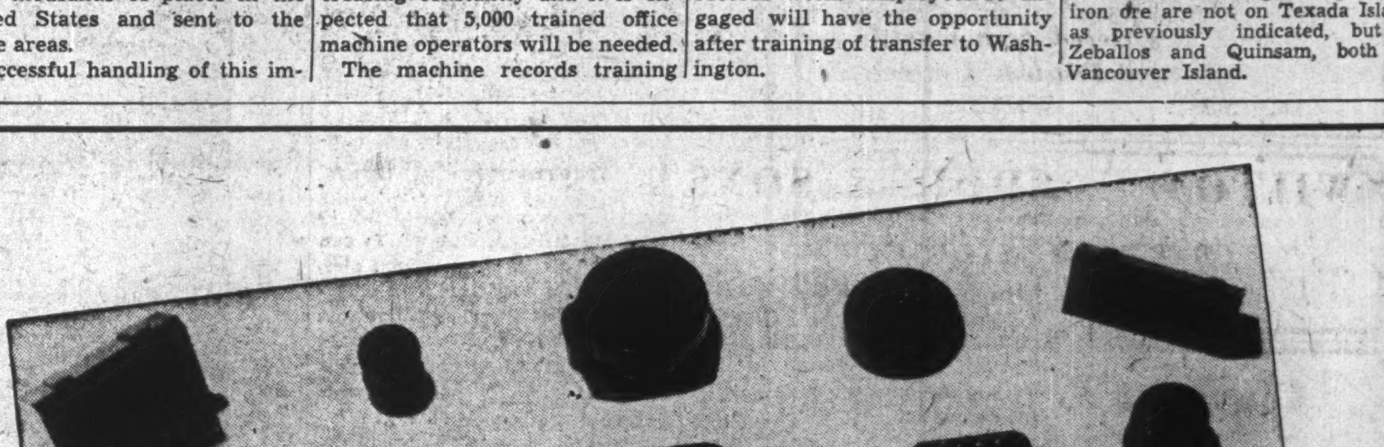
During the last week Premier John Hart announced that he had been advised by Hon. C. D. Howe that Ottawa would not stand in the way of action. Now an effort is being made to find out if Mr. Howe will issue orders to the various controllers concerned to release the required materials for a plant should private interests be prepared to finance it.

Although most of the business interests here seem disposed to favor a modest rolling mill to cost some $1.5 million to utilize scrap metal, Dr. John F. Walker, Deputy Minister of Mines, told the mining committee of the Legislature that there is adequate iron ore and coal suitable for blast furnace coke to keep a 70,000-ton plant going for 30 or 40 years.

Dr. Walker warned against establishment of a smaller unit because it would discourage backers of the larger fully integrated plant. This is in contrast to the view of manufacturers who claim that a smaller mill is a logical preliminary and could serve as the first unit of a bigger plant.

Opposition of eastern interests, high cost of construction and the necessity to depend on eastern Canada and the United States for equipment were cited by Dr. Walker as the most formidable obstacles to the undertaking.

He said the largest deposits of iron ore are not on Texada Island, as previously indicated, but at Zeballos and Quinsam, both on Vancouver Island.



Even a Fuse Hammer is a Job for *Plastics*:

The four tiny pointed objects immediately below the 3-link chain in the above photograph are fuse hammers — integral and vital parts of a death-dealing shell. It is typical of the enormous strides that have been made in plastics research that these important parts of a shell are now made of plastics.

They are made by Duplate Canada Limited at Oshawa, from moulds produced in their own plant in hairs-breadth conformity to specifications supplied by the munitions manufacturer. Around them are seen other important parts for war and electrical equipment, now being made also by Duplate. Today — plastics for war. Tomorrow — plastics for peace.

Duplate Canada Limited will be ready to serve Canadian industry as competently in peacetime as it is now doing in wartime.

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Silbak Premier Mines had net smelter returns of $59,800 in February from milling 6,580 tons of ore. Estimated operating profit was $10,170. This compared with smelter returns of $117,198 and operating profit of $36,469 in Feb., 1942, when 13,124 tons were milled. The company has been suffering from the labor shortage which has curtailed tonnage treated.

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Company Earnings

Numerous Profit Declines Are Reported

Rolland Paper

Higher costs tended to keep down operating profits of Rolland Paper Co. in 1942, the report showing an income of $604,486 as against $688,362. After allowing for the full excess profits tax, earnings on the common stock amounted to $1.14 a share, compared with $1.43 the year before.

The balance sheet shows a maintenance of strong financial position. In his remarks to the shareholders, Jean Rolland, president, states the demand for the company's products has not eased, and based on the volume of unfilled orders on hand, it is expected the mills at St. Jerome and Mont Rolland can be operated during 1943 at current levels, unless Government restrictions applying to the industry, or scarcity of pulp, necessitate a reduction in production.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$604,486	$688,362
Add: Other income	7,797	8,116
Total earnings	612,283	696,478
Less: Exec. remun.	45,017	45,017
Directors' fees	1,925	2,000
Depreciation	192,388	205,277
Interest	92,937	93,991
Income & E. P. taxes	*121,696	174,653
Net profit	158,318	175,540
Less: Pref. divds.	‡112,500	90,000
Common divds.	‡45,000	45,001
Surplus for year	818	40,539
Add: Prev. surplus	385,159	358,964
Tax adjustment	15,578	......
Profit on secs.	4,349	......
Refund. tax	6,484	......
Less: Bond discount	6,776	6,895
Loss on secs.	......	162
Fire loss	1,500	......
Adjust. of assets	......	7,287
Earned surplus forw'd.	406,112	385,159

‡Including dividends for quarter ended Feb. 15, 1943.
*Refundable portion $6,484 included.

Earned per share:	1942	1941
Preferred	$10.55	$11.70
Paid & dec.	7.50	6.00
Common	1.14	1.43
Paid & dec.	0.75	0.75
Working capital	$1,131,352	$1,007,189
Balance Sheet Changes		
Cash	$38,740	$96,190
Accts. receivable	444,421	841,891
Inventories	981,835	747,923
Funded debt	2,050,000	2,125,000

EARNED PER COMMON SHARE	1942	1941
B. C. Pulp & Paper	2.03	5.62
Canadian Oil Companies	1.25	1.51
Consolidated Paper Corp.	0.16	0.34
Cooksville Co. (1st pref.)	nil	8.60
Holt, Renfrew & Co.	2.42	4.26
Interprovincial Brick Co.	nil	0.23
John Bertram & Sons	4.24	6.23
Massey-Harris Co.	1.31	0.71
Ottawa Electric Railway	4.84	4.38
Rolland Paper Co.	$1.14	$1.43
Sawyer-Massey, Ltd.	1.10	0.24
Steel Co. of Canada	6.68	6.17
Third Can. Gen. Investment	0.17	0.16
Wentworth Radio (pref.)	6.09	7.18

Gurney Foundry

Total funded debt of Gurney Foundry Co. was $747,600 for the year ended Dec. 31, 1942 as compared with $758,300 in the year before, a reduction brought about by the purchase of $10,700 of the company's bonds for cancellation. In addition $50,000 was paid into sinking fund, making a total of $80,000 in this account. Bond interest during the year was earned at the full rate of 5½%, the report of G. B. Beatty, vice-president, states.

Sales of war supplies increased considerably in 1942, while war measures and curbs limited the flow of domestic products.

Consol. Inc., Surp.—Years Ended Dec. 31	1942	1941
Gross profit	$495,426	$627,525
Less: Selling exps.	157,306	196,991
Warehouse exps.	44,852	47,987
Adminis. exps.	83,894	88,480
Depreciation	143,187	161,556
Bad debt prov.	20,532	11,992
Net oper. profit	45,653	120,588
Add: Other income	64,657	54,593
Less: Bank inc., etc.	3,816	9,272
Bond interest	41,706	42,900
U. S. exchange	5,534	5,388
Taxes	25,250	55,000
Net profit	34,004	62,621
Less: Prev. deficit	75,610	153,254
Add: Surp. on bd. red.	1,940	11,722
Adj. workmen's comp.	1,199	3,302
Adj. fire loss	669	......
Less: Tax adjust.	10,380	......
Adjust. re G. N.-W. Fdry.	1,155	......
Deficit forward	49,333	75,610

Note:—Executive salaries of $41,373 in 1942 and $43,194 in 1941 are included in operating, selling and administrative costs; legal expenses of $897 in 1942 and $727 in 1941 were charged to expense accounts.

	1942	1941
Earned per Share, pfd.	$0.63	$1.18
No dividend paid.		
Working capital	$582,727	$549,006

Interprovincial Brick

Reflecting a falling off in construction activities, operating profits of Interprovincial Brick Co. in 1942 totalled $11,602, as against $25,666 the year before. All of last year's net revenue was written off to depreciation, whereas the year before there was a net profit of $2.23 a share on the "A" stock.

During the past year the amount owing to the Cooksville Co. was sharply reduced.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	11,602	25,666
Less: Exec. salaries	300	300
Depreciation	11,302	20,408
Interest	......	948
Tax provision	......	722
Net profit	......	3,288
Previous deficit	159,180	162,468
Deficit forward	159,180	159,180
Earned on A	......	$2.23
Working capital	$39,340	$90,475
Balance Sheet Changes		
Accts. receivable	$11,801	$37,355
Inventories	30,875	54,320
Mortgage loan	28,187	90,672

Cooksville Co.

Cooksville Co. reports a slowing down in operations in 1942, with operating profits totalling $120,573 as against $224,526 the year before. Working capital improved.

In his report, C. G. Greenshields, president, stated that while the outlook for the current year is uncertain, it is considered that the longer term prospects "can be viewed with optimism."

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$120,573	$224,526
Less: Exec. remun.	10,570	10,570
Directors' fees	1,710	1,337
Depreciation	78,293	110,038
Interest	30,000	30,000
Tax provision	......	29,590
Net profit	......	42,991
Add: Prev. surplus	198,614	155,623
Less: Contract adjust.	10,000	......
Loss Port Credit prop.	127,900	......
Earned surplus forw'd.	58,714	198,614
Earned per share:		
1st Preferred	......	$8.60
2nd Preferred	......	4.50
Working capital	$759,687	$586,434
Balance Sheet Changes		
Cash	$83,485	$197,122
Investments	499,825	99,825
Accounts receivable	85,986	149,959
Inventories	157,103	185,793
Bank loans	50,000	......
Due by Inter. Brick	28,187	90,672
Due on property sale	82,500	......

Massey-Harris

Sales volume of Massey-Harris Co. Ltd. in 1942, not including war contracts, held at approximately the same level as the year before, J. H. Duncan, president and general manager, states in the annual report for the year ended Nov. 30. Despite restricted quotas in the U. S. and Canada, increased shipments to Britain and utilization of inventories helped maintain sales position.

Important war contracts undertaken during the year necessitated purchase of a new plant at Racine, Wis., extension of plant facilities at Brantford and Weston, Ont., and the acquisition of new equipment and machine tools. Net expenditure for land, buildings and equipment in 1942 was $1.6 millions after deducting the $250,000 first mortgage on the new Racine plant. Output now includes shells of three calibres, tanks, steel cargo and technical bodies for mechanical transports, ammunition boxes, gun mounts, wings and spars for Anson planes and wings for Mosquito fighter-bomber planes.

During the year the company purchased the outstanding shares of F. F. Barber Machinery Co., which holds a prominent place in the Canadian machine tool industry.

In 1942 the demand for strategic materials was such that priorities, material allocations and production controls were introduced, with the result that farm implement production was set at roughly 80% and parts at 150% of 1940 totals. Later further limitations were imposed, under which implement production in Canada and the U. S. for 1943 is set at approximately 33% and repairs parts 165% of 1940. Production for export was also restricted, but increased percentages were alloted to Great Britain owing to the essentiality of farm implements for the intensive food programme.

Mr. Duncan sees justification "in looking forward to the results of the next twelve months with reasonable confidence" despite the many limiting factors over which the company has no control.

Cons. Income, Surplus—Years Ended Nov. 30*	1942	1941
Net oper. income†	$8,005,411	$4,626,977
Add: Other income	198,509	132,092
Net earnings	8,203,920	4,759,070
Less: Depreciation	1,110,749	473,536
Int. on borrowings	145,020	187,854
Bond interest	404,346	424,625
Pension fund	140,000	99,500
Bad debts, cont. res.	764,778	588,437
Invent. res.	600,000	420,000
Taxes	3,475,000	1,440,000
Net profit	1,564,027	1,125,118
Less: Pref. divds.	453,371	151,124
Surplus for year	1,110,656	973,994
Add: Prev. surplus	973,994	‡
Surplus forward	2,084,650	973,994
Deductions: Legal fees†	25,138	15,787
Exec. salaries	94,300	91,317
Directors' fees	10,633	8,600

‡Deficit eliminated by capital reorganization.
*Due to difference in seasons, accounts of subsidiaries in South America and New Zealand were closed Aug. 31 and have been included as at that date in the above accounts for 1941 and 1942.

	1942	1941
Times Bond Interest Earned:		
Before depr., bad dbs.	20.18	10.77
After depr., bad dbs.	15.54	8.26
Earnings Per Share:		
6¼% Preferred	$3.23	$2.33
Paid	0.93¾	0.31¼
Common	$1.31	$0.71
Nothing paid.		
Working capital	24,346,254	23,725,511
Balance Sheet Changes		
Cash	$3,517,204	$2,307,772
Govt. bonds	3,333,600	250,877
Inventories	13,835,161	16,015,749
Bank loans	1,039,548	1,196,581
Mtge. payable	250,000	......
Funded debt	9,200,000	10,000,000
Fixed assets	15,131,953	13,373,303
Less: Depreciation	10,304,892	9,291,518

Ottawa Electric Rly.

Ottawa Electric Railway Co. reports a sharp expansion in gross income in 1942 and, after provision for substantially higher depreciation and taxes, net profits were equal to $4.84 a share, as against $4.38 a share the year before.

In his report to shareholders T. F. Ahearn, president, says that in 1943 it is estimated the company may look forward to a net profit of $96,600 and a postwar refund at approximately $193,000.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$2,627,050	$1,970,921
Add: Other income	7,927	3,896
Total earnings	2,634,979	1,974,817
Less: Oper. expenses	1,432,816	1,130,698
Depreciation	314,877	242,741
Interest	80,850	85,750
Income & E. P. taxes	†625,000	251,000
Other expenses	11,027	10,538
Net profit	170,408	154,090
Less: Com. dividends	70,394	59,835
Surplus for year	100,014	94,255
Add: Prev. surplus	684,038	564,206
Rec. from assets	195	2,893
Tax refund	26,306	......
Adjustments	......	22,684
Earned surplus fwd.	810,553	684,038

†Refundable portion $63,625.

	1942	1941
Earned per share:		
Common	$4.84	$4.38
Paid	2.00	1.70
Working capital	$712,912	$474,865
Balance Sheet Changes		
Cash	$ 680,286	$ 628,725
Investments	200,000	200,000
Working assets	218,894	177,662
Funded debt	1,820,000	1,960,000
Fixed assets	7,162,147	7,119,798

Seal-O-Sac (Canada)

Business volume of Seal-O-Sac (Canada) Ltd. showed a sharp decline in the year ended Dec. 31, 1942, due to wartime restrictions. "The immediate outlook is uncertain," states Ewart R. Angus, president. Neither crude rubber nor pliofilm may be obtained and the company has not yet been able to develop a commercially satisfactory substitute from which a heat-sealed package may be manufactured.

Effort is being made to keep overhead at a minimum and maintain the company's liquid position, the report declares. A substantially broader market for the product is anticipated when present restrictions are lifted. The company has investment of $51,000 in North American Containers, a wholly-owned U. S. A. subsidiary. Against the sale of Uxbridge real estate and building during 1942, the report notes a loss of $5,937.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	*$1,518	$16,149
Less: Directors' fees	698	1,137
Exec. salaries	3,780	4,280
Patent expenses	3,425	1,467
Experimental exp.	22	353
Taxes	......	1,208
Depreciation	707	3,041
Patent amort.	2,824	2,824
Net loss	9,938	*1,819
Add: Prev. deficit	5,983	7,802
Less: Tax adjust.	291	......
Deficit forward	15,630	5,983
Working capital	$15,631	$20,763

*Net profit.

Canadian Oil

Canadian Oil Companies reports somewhat lower profits for 1942. Net is equivalent to $1.25 a share on the common, compared with $1.51 a share for 1941. Dividends of $1.20 a share were paid in both years. Financial position shows further strength with cash and investments higher. Funded debt and mortgages payable have been reduced by about $135,000.

Income, Surplus—Years Ended Dec. 31	1942	1941
Net oper. profit	$1,528,871	$1,505,968
Less: Depreciation	665,209	802,998
Interest	58,443	60,000
Income & E. P. taxes	315,000	365,000
Pension fund	50,000	......
Inventory reserve	150,000	100,000
Net profit	340,219	377,973
Less: Pref. dividends	160,000	160,000
Common dividends	172,517	172,517
Surplus for year	7,702	45,456
Add: Previous surplus	1,214,143	1,168,687
Earned surplus forw'd	1,221,845	1,214,143
Earned per share:		
Preferred	$17.01	$18.90
Paid	8.00	8.00
Common	$1.25	$1.51
Paid	1.20	1.20
Working capital	$2,876,247	$2,543,009
Balance Sheet Changes		
Cash	$251,294	$233,563
Investments	300,000	......
Accounts receivable	1,153,517	1,253,224
Inventories	2,897,137	2,640,065
Mortgages payable	62,300	121,400
Funded debt	1,425,000	1,500,000
Inventory reserve	250,000	100,000

Sawyer-Massey

Sawyer-Massey, Ltd., reports net profits for 1942 equivalent to $1.10 a share on its common against 24 cents earned in 1941. Adjustments have been made in the 1941 accounts to provide for proportion of earnings on a contract not completed at Sept. 30, 1941, and on which that year's share of earnings could not then be determined. Depreciation for the years from 1937 has also been adjusted in accordance with a ruling of the income tax department. The net result is that in place of a deficit of $17,128 as reported a year ago, a net profit of $12,021 is now shown. Deficit account has been reduced by these and other adjustments to $248,363 as shown on the latest balance sheet.

Income taxes have been provided at the minimum rate and actual tax will be determined when decision of the Board of Referees on the company's application to be classed as a depressed industry is known. This may not come for a considerable period, G. R. Cottrelle, president, states.

The company's plant operated at capacity last year, largely on war production.

Income, Surplus—Years Ended Sept. 30	1942	1941
Operating profit	$375,863	$217,696
Less: Exec. remun.	14,558	12,722
Sell. & admin. exp.	48,845	46,344
Legal fees	802	1,888
Depreciation	155,595	81,530
Interest	64,818	55,017
Income taxes	36,285	8,174
Net profit	54,960	12,021
Earned per share:		
Common	$1.10	$0.24
No dividends paid.		
Working capital	$40,637	*$184,680

*Excess of current liabilities.

Balance Sheet Changes	1942	1941
Cash	$1,000	$1,000
Rec. fr. Dept. M. & S.	248,340	235,725
Accts. receivable	168,844	205,956
Inventories	251,797	231,369
Bank loans	401,152	677,592

Consolidated Paper

Consolidated Paper Corp. reports a decrease in gross income for 1942, while net profits available on the capital stock, at $396,290, were equivalent to 16 cents a share. This contrasts with a profit of $880,220, or 34 cents a share in 1941.

The balance sheet showed a further gain in net working capital which now stands at $18.6 millions. Inventory position improved, while investments increased around $3.5 millions through the purchase of Victory Bonds. The funded debt was reduced to $47.4 millions, while a further $1,233,973 of bonds were retired on March 1, 1943.

In his report to the shareholders, L. J. Belnap, president, stated the physical volume of all pulp and paper products last year decreased approximately 7%, and sales volume 6%. Owing to curtailment of power supplies and restrictions in production and shipments, the company discontinued production of newsprint at the Wayagamack Division and curtailed it at other divisions.

At the end of the year, Mr. Belnap reported, the Hearst Co.'s indebtedness totalled $1.5 million, of which $1.3 million was represented by notes under discount. A reserve has been set up against the notes.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$6,649,901	$7,656,529
Add: Exch. income	1,114,695	1,203,621
Invest. income	105,713	80,554
Total earnings	8,870,309	8,940,704
Less: Exec. remun.	178,200	178,200
Directors' fees	1,680	1,620
Lega fees	13,913	20,074
Depreciation	4,594,918	4,560,232
Interest	2,573,622	2,658,948
Income & E. P. taxes	167,000	640,000
Add: Profit secs. sold	55,314	*410
Net profit	396,290	880,220
Add: Previous surplus	2,675,007	985,650
Profit bonds red.	499,969	809,137
Less: Adjustments	30,482	......
Earned surplus forw'd	3,540,785	2,675,007

*Loss.

	1942	1941
Earned per share:		
Common	$0.16	$0.34
Working capital	18,604,791	14,056,438
Balance Sheet Changes		
Cash	$4,577,935	$4,130,575
Investments	4,386,656	891,416
Accounts receivable	3,478,968	4,859,788
Inventories	10,518,813	9,316,995
Funded debt	47,418,390	49,262,458

Holt, Renfrew & Co.

Holt, Renfrew & Co.'s net earnings for the year ended Jan. 31, 1943, showed a moderate increase over those of the preceding year. Owing to higher reserves, net profits available on the common stock at $2.42 compared with $4.26 in the previous year. The balance sheet shows a new item—bank loans of $112,000. Against this, accounts receivable were somewhat higher, while cash and investments were up substantially.

In his report to the shareholders, Alvin J. Walker, president and managing director, reports that during the year the company purchased a business in Ottawa which is being operated under the name of "Simon Furs." He adds that the volume of sales has been satisfactory and working capital improved. "Stocks of merchandise are well assorted and saleable, although it is becoming increasingly difficult to obtain supplies."

Income, Surplus—Years Ended Jan. 31	1943	1942
Net earnings	$224,654	$207,692
Less: Depreciation	59,041	62,798
Interest	22,500	32,268
W/o premises	28,881	......
Contingent reserve	20,000	......
Net profit*	94,231	112,626
Add: Prev. surplus	761,914	650,687
Adjustments	3,502	......
Less: Tax adjustment	......	1,399
Earned surplus forw'd.	859,647	761,914

*After taxes.

	1943	1942
Earned per share:		
Preferred	$9.42	$11.26
No dividends paid.		
Common	2.42	4.26
Working capital	$1,205,311	$1,066,492
Balance Sheet Changes		
Cash	$95,219	$63,787
Investments	100,000	......
Accounts receivable	486,891	424,286
Inventories	939,816	996,045
Bank loans	112,000	......
Funded debt	311,250	332,000
Accts. payable	272,242	376,093

B. C. Pulp

British Columbia Pulp & Paper Co.'s production in 1942 declined, owing to shortage of materials and labor. Operating profit totalled $1.7 millions, as against $3.3 millions the year before. Net profits available on the common stock were $2.03 a share, compared with $5.62 in 1941.

During the last year, a compromise arrangement was made with the general mortgage bondholders, as a result of which an additional $489,400 of bonds were issued to fund arrears of interest payments. At the same time $180,000 of bonds held by the company were cancelled.

The balance sheet shows a strengthening of working capital position. Two new items in last year's accounts are a special bank loan of $1 million, payable Jan. 2, 1945, and a current bank demand loan and overdraft of $626,449.

Income and Surplus Account Years Ended Dec. 31	1942	1941
Operating profit	$1,722,983	$3,297,766
Add: Other income	6,373	3,841
Total earnings	1,729,356	3,301,607
Less: Exec. remuner.	40,198	48,505
Directors' fees	3,000	3,000
Depreciation	580,000	742,075
Interest	308,149	320,366
Inc. and E. P. taxes	420,000	1,500,000
Inventory res.	138,028	86,501
Net profit	241,980	601,160
Less: Previous deficit	631,805	1,232,966
Adjustments	46,818	......
Deficit forward	343,006	631,806
Earned per share:		
Preferred	$43.51	$108.08
Common	2.03	5.62
Working capital	$1,655,631	$968,679
Balance Sheet Changes		
Cash	$ 33,460	$ 526,323
Investments	440,750	......
Accounts receivable	1,322,414	1,119,106
Inventories	1,458,752	1,392,185
Bank loans	626,449	......
Funded debt	4,522,900	4,018,500
Special loan	1,000,000	......

Wentworth Radio

A further drop in sales in 1943 is anticipated by Wentworth Radio & Auto Supply Co., Hamilton, due to wartime restrictions on merchandise. In the annual report for the year ended Dec. 31, 1942, a decline of $160,000 is shown, with sales at $562,488 as compared with $722,310 in the previous year.

Net profit in the latest period is $18,273, as against $21,550. The amount of excess profits tax refund, estimated at $1,742, is included in total tax deductions.

Deficit carried forward at Dec. 31, 1942, was $25,042 as compared with $43,315 at the end of the previous year.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$58,158	$58,715
Less: Mort. interest	1,220	1,220
Depreciation	8,127	10,117
Exec. salary	4,872	4,844
Directors' fees	1,900	730
Income & E. P. tax	23,766	20,305
Net profit	18,273	21,550
Less: Prev. deficit	43,315	63,492
Tax adjustment	......	1,373
Deficit forward	25,042	43,315
Earned per share:		
Preferred	$6.09	$7.18
No payment made.		
A and B	0.06	0.07
Working capital	$224,987	$198,795

Steel of Canada

Steel Co. of Canada reports net operating profits on a slightly higher basis in 1942 than was the case in 1941, earnings on the combined stock amounting to $6.68 a share, as against $6.17 in 1941. Gross operating profits last year were over $17 millions, an increase of around $5 millions. Practically all of the gain was absorbed in higher taxes, provision for such amounting to $8.4 millions, as against $3.5 millions the year before.

Contrasted with 1939, total dollar sales, excluding coke and by-products, showed an increase of 120% and the tonnage of corresponding finished goods shipped increased 112%. The tonnage of steel devoted to prime war requirements and to essential transportation and other civil needs of high priority, absorbed over 90% of the total steel production.

In his remarks to shareholders, Ross H. McMaster, president, stated that in view of the fact that the company has unused rolling capacity, even in excess of its expanded steel production, the Government has advanced funds for the installation of a 65-ton electric furnace with additional soaking pits, thereby increasing annual ingot capacity by 75,000 to 100,000 tons, depending upon the character of the steel made. It is expected that the new furnace will be ready to operate in May.

The balance sheet shows working capital at the high figure of $19.9 millions. While cash, receivables and inventories were off slightly, Government advances were cut almost in half, while holdings of government bonds and other securities increased from about $4.7 millions to nearly $12 millions.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit*	$4,724,062	$4,379,353
Other income	81,876	60,379
Net profit	4,805,938	4,439,732
Less: Dividends	2,159,556	2,159,556
Pension fund	300,000	300,000
Surplus	2,346,382	1,980,176
Previous surplus	22,854,434	20,874,258
Surplus forward	25,200,816	22,854,434
Earned on Stock	$6.68	$6.17
Paid	3.00	3.00
*After following charges:		
Depreciation	$4,397,243	$4,742,022
Tax provision‡	8,362,904	3,520,000
Directors' fees	14,000	14,000
Exec. remuneration	195,400	196,737
Legal expenses	9,887	7,038
‡Refundable tax	587,317	......
Working capital	19,936,505	17,771,471
Balance Sheet Changes		
Cash	$2,682,101	$3,848,246
Govt. bonds	11,997,518	4,679,036
Receivables	7,315,198	8,066,937
Inventories	9,819,960	10,076,587
Govt. advances	1,251,000	2,490,000

Third Can. Gen. Inv.

Interest and dividend income reported by Third Canadian General Investment Trust Ltd. for 1942 was 4.9% greater than in 1941. The company has declared a dividend of 12½ cents, plus a bonus of three cents, payable April 15. This compares with 14 cents paid in 1942.

Market value of securities held was $1.9 million at Dec. 31 last, an excess of $184,497 over book value, and comparing with $1.8 million at the end of 1941. Net liquidating value per share was $2.93 at Dec. 31, 1942, compared with $2.87 a share and $3.27 a share at the end of 1941 and 1940 respectively.

The trust realized a net profit of $37,106 as a result of changes in portfolio. This has been added to capital surplus distributable account, bringing this account to $843,198.

Income, Surplus—Years Ended Dec. 31	1942	1941
Investment income	$124,482	$118,782
Less: Loan interest	234	24
Management fee	6,750	6,750
Directors' fees	540	550
Miscellaneous	1,026	985
Income tax	2,872	7,000
Net profit	113,060	103,493
Less: Dividends	91,559	98,099
Surplus for year	21,501	5,394
Add: Prev. surplus	213,767	214,189
Less: Addit. inc. tax	......	5,816
Surplus forward	235,268	213,767
Earned per share:	$0.17	$0.16
Paid	0.14	0.15
Net assets per share	$2.93	$2.87

John Bertram & Sons

In 1942, Henry Bertram, chairman of the board of directors of John Bertram & Sons Co., reports in the statement for the year ended Dec. 31, total volume was only slightly under that of 1941. He anticipates a continued high rate of shipments for the first six months of 1943, but a decided reduction during the year in sales of purchased machinery, an important division.

No building additions were made during year but new machinery was installed in the Bertram works valued at $166,769. In the Pratt & Whitney division installation of government-owned machinery for the manufacture of small tools and gauges has continued. During 1942 $489,861 was set aside for depreciation of machinery and plant, as compared with $1,201,307 in 1941.

Refundable portion of taxes (not credited below) is calculated at $202,071.

Income, Surplus—Years Ended Dec. 31	1942	1941
Gross oper. profit	$2,123,822	$1,754,578
Less: Exec. salaries	29,609	29,500
Income, E. P. taxes	1,840,000	1,340,000
Net profit	254,213	385,078
Less: Dividends	24,000	9,000
Surplus for year	230,213	376,078
Add: Prev. surplus	1,363,324	958,164
Profits from assets	49,848	29,081
Surplus forward	1,643,385	1,363,323
Earned per Share:		
Common	$4.24	$6.23
Paid	0.40	0.15
Working capital	$3,273,831	$1,002,559
Balance Sheet Changes		
Cash	$497,570	$259,322
Investments	1,086,959	206,769
Accts. rec., Can. Govt.	387	725,239
Inventory	1,990,953	3,832,361
Fixed assets	3,565,200	3,439,521
Less: Depreciation	2,968,404	2,513,290
Accts. payable	633,388	1,561,311
Adv. pay. on contracts	1,390,881	1,541,128
Tax reserve	1,657,585	1,576,392

Publishers Dip Into Reserves

Newsprint Stocks at End of February Below Those Year Ago

Restricted shipments of newsprint from the mills finds reflection in a decline in stocks held by American publishers at the end of February. During the month, publishers drew upon their reserve supply to the extent of nearly 12,000 tons, leaving on hand 597,316 tons. The latter figure, however, is still nearly 5,000 tons above that reported a year ago.

The North American newsprint situation at the beginning of March is set out below:

Stocks of Newsprint Paper (Tons)

	March 1 1943	March 1 1942
Mills:		
Canadian	110,038	156,957
United States	13,913	12,414
Newfoundland	65,295	86,3[illegible]
Total	189,246	[illegible]
U. S. publishers	597,316	592,729
Grand total	786,462	848,400

RENEWAL OF UNEMPLOYMENT INSURANCE BOOKS

To All Employers:

All Unemployment Insurance Books for the current fiscal year 1942-43 must be turned in for replacement by new books.

Between
MARCH 29th and APRIL 3rd

New Insurance Books for the fiscal year 1943-44 will be exchanged by the Local Employment and Selective Service Office in your area for expired Insurance Books.

Do not send in your Insurance Books without completing forms enclosed with circular letter No. 625.

If you have not received this circular letter, get in touch with your nearest Employment and Selective Service Office immediately.

Where it is necessary to quote the Employee's Insurance Number, use the number with the prefix letter shown on the front cover of the book: example P-49247, E-22454. **Do not** quote the book serial number printed on the inside pages of the book.

Protect the benefit rights of your employees by following closely the procedure outlined in the circular letter, and prevent delays by acting now.

There are severe penalties for failing to make Unemployment Insurance contributions for your insured employees and for failure to renew the Insurance Books as required.

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Silbak Premier Mines had net smelter returns of $59,800 in February from milling 6,580 tons of ore. Estimated operating profit was $10,170. This compared with smelter returns of $117,198 and operating profit of $36,469 in Feb., 1942, when 13,124 tons were milled. The company has been suffering from the labor shortage which has curtailed tonnage treated.

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Company Earnings

Numerous Profit Declines Are Reported

EARNED PER COMMON SHARE	1942	1941
B. C. Pulp & Paper	2.03	5.62
Canadian Oil Companies	1.25	1.51
Consolidated Paper Corp.	0.16	0.34
Cooksville Co. (1st pref.)	nil	8.60
Holt, Renfrew & Co.	2.42	4.26
Interprovincial Brick Co.	nil	0.23
John Bertram & Sons	4.24	6.23
Massey-Harris Co.	1.31	0.71
Ottawa Electric Railway	4.84	4.38
Rolland Paper Co.	$1.14	$1.43
Sawyer-Massey, Ltd.	1.10	0.24
Steel Co. of Canada	6.68	6.17
Third Can. Gen. Investment	0.17	0.16
Wentworth Radio (pref.)	6.09	7.18

Rolland Paper

Higher costs tended to keep down operating profits of Rolland Paper Co. in 1942, the report showing an income of $604,486 as against $688,362. After allowing for the full excess profits tax, earnings on the common stock amounted to $1.14 a share, compared with $1.43 the year before.

The balance sheet shows a maintenance of strong financial position. In his remarks to the shareholders, Jean Rolland, president, states the demand for the company's products has not eased, and based on the volume of unfilled orders on hand, it is expected the mills at St. Jerome and Mont Rolland can be operated during 1943 at current levels, unless Government restrictions applying to the industry, or scarcity of pulp, necessitate a reduction in production.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$604,486	$688,362
Add: Other income	7,797	8,116
Total earnings	612,283	696,478
Less: Exec. remun.	45,017	45,017
Directors' fees	1,825	2,000
Depreciation	192,388	205,277
Interest	92,937	93,991
Income & E. P. taxes	*121,696	174,653
Net profit	158,318	175,540
Less: Pref. divds.	‡112,500	90,000
Common divds.	‡45,000	45,001
Surplus for year	818	40,539
Add: Prev. surplus	385,159	358,964
Tax adjustment	15,578	......
Profit on secs.	4,349	......
Refund. tax	6,484	......
Less: Bond discount	6,776	6,895
Loss on secs.	......	162
Fire loss	1,500	......
Adjust. of assets	......	7,287
Earned surplus forw'd.	406,112	385,159

‡Including dividends for quarter ended Feb. 15, 1943.
*Refundable portion $6,484 included.

Earned per share:	1942	1941
Preferred	$10.55	$11.70
Paid & dec.	7.50	6.00
Common	1.14	1.43
Paid & dec.	0.75	0.75
Working capital	$1,131,352	$1,007,189
Balance Sheet Changes		
Cash	$38,740	$96,190
Accts. receivable	444,421	641,891
Inventories	981,835	747,923
Funded debt	2,050,000	2,125,000

Gurney Foundry

Total funded debt of Gurney Foundry Co. was $747,600 for the year ended Dec. 31, 1942 as compared with $758,300 in the year before, a reduction brought about by the purchase of $10,700 of the company's bonds for cancellation. In addition $50,000 was paid into sinking fund, making a total of $80,000 in this account. Bond interest during the year was earned at the full rate of 5½%, the report of G. B. Beatty, vice-president, states.

Sales of war supplies increased considerably in 1942, while war measures and curbs limited the flow of domestic products.

Consol. Inc., Surp.—Years Ended Dec. 31	1942	1941
Gross profit	$495,426	$627,525
Less: Selling exps.	157,306	196,991
Warehouse exps.	44,852	47,987
Adminis. exps.	83,894	88,480
Depreciation	143,187	161,556
Bad debt prov.	20.532	11,992
Net oper. profit	45,653	120,588
Add: Other income	64,657	54,593
Less: Bank inc., etc.	3,816	9,272
Bond interest	41,706	42,900
U. S. exchange	5,534	5,388
Taxes	25,250	55,000
Net profit	34,004	62,621
Less: Prev. deficit	75,610	153,254
Add: Surp. on bd. red.	1,940	11,722
Adj. workmen's comp.	1,199	3,302
Adj. fire loss	669	......
Less: Tax adjust.	10,380	......
Adjust. re G. N.-W. Fdry.	1,155	......
Deficit forward	49,333	75,610

Note:—Executive salaries of $41,373 in 1942 and $43,194 in 1941 are included in operating, selling and administrative costs; legal expenses of $897 in 1942 and $727 in 1941 were charged to expense accounts.

	1942	1941
Earned per Share, pfd.	$0.63	$1.18
No dividend paid.		
Working capital	$582,727	$549,006

Interprovincial Brick

Reflecting a falling off in construction activities, operating profits of Interprovincial Brick Co. in 1942 totalled $11,602, as against $25,666 the year before. All of last year's net revenue was written off to depreciation, whereas the year before there was a net profit of $2.23 a share on the "A" stock.

During the past year the amount owing to the Cooksville Co. was sharply reduced.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	11,602	25,666
Less: Exec. salaries	300	300
Depreciation	11,302	20,408
Interest	......	948
Tax provision	......	722
Net profit	......	3,288
Previous deficit	159,180	162,468
Deficit forward	159,180	159,180
Earned on A	......	$2.23
Working capital	$39,340	$90,475
Balance Sheet Changes		
Accts. receivable	$11,801	$37,355
Inventories	30,875	54,320
Mortgage loan	28,187	90,672

Cooksville Co.

Cooksville Co. reports a slowing down in operations in 1942, with operating profits totalling $120,573 as against $224,526 the year before. Working capital improved.

In his report, C. G. Greenshields, president, stated that while the outlook for the current year is uncertain, it is considered that the longer term prospects "can be viewed with optimism."

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$120,573	$224,526
Less: Exec. remun.	10,570	10,570
Directors' fees	1,710	1,337
Depreciation	78,293	110,038
Interest	30.000	30,000
Tax provision	......	29,590
Net profit	......	42,991
Add: Prev. surplus	198,614	155,623
Less: Contract adjust.	10,000	......
Loss Port Credit prop.	127,900	......
Earned surplus forw'd.	58,714	198,614
Earned per share:		
1st Preferred	......	$8.60
2nd Preferred	......	4.50
Working capital	$759,687	$586,434
Balance Sheet Changes		
Cash	$83,465	$197,122
Investments	499,825	99,825
Accounts receivable	85,986	149,959
Inventories	157,103	185,793
Bank loans	50,000	......
Due by Inter. Brick	28,187	90,672
Due on property sale	82,500	......

Massey-Harris

Sales volume of Massey-Harris Co. Ltd. in 1942, not including war contracts, held at approximately the same level as the year before, J. H. Duncan, president and general manager, states in the annual report for the year ended Nov. 30. Despite restricted quotas in the U. S. and Canada, increased shipments to Britain and utilization of inventories helped maintain sales position.

Important war contracts undertaken during the year necessitated purchase of a new plant at Racine, Wis., extension of plant facilities at Brantford and Weston, Ont., and the acquisition of new equipment and machine tools. Net expenditure for land, buildings and equipment in 1942 was $1.6 millions after deducting the $250,000 first mortgage on the new Racine plant. Output now includes shells of three calibres, tanks, steel cargo and technical bodies for mechanical transports, ammunition boxes, gun mounts, wings and spars for Anson planes and wings for Mosquito fighter-bomber planes.

During the year the company purchased the outstanding shares of F. F. Barber Machinery Co., which holds a prominent place in the Canadian machine tool industry.

In 1942 the demand for strategic materials was such that priorities, material allocations and production controls were introduced, with the result that farm implement production was set at roughly 80% and parts at 150% of 1940 totals. Later further limitations were imposed, under which implement production in Canada and the U. S. for 1943 is set at approximately 33% and repairs parts 165% of 1940. Production for export was also restricted, but increased percentages were alloted to Great Britain owing to the essentiality of farm implements for the intensive food programme.

Mr. Duncan sees justification "in looking forward to the results of the next twelve months with reasonable confidence" despite the many limiting factors over which the company has no control.

Cons. Income, Surplus—Years Ended Nov. 30*	1942	1941
Net oper. income†	$8,005,411	$4,626,977
Add: Other income	198,509	132,092
Net earnings	8,203,920	4,759,070
Less: Depreciation	1,110,749	473,536
Int. on borrowings	145,020	187,854
Bond interest	404,346	424,625
Pension fund	140,000	99,500
Bad debts, cont. res.	764,778	588,437
Invent. res.	600,000	420,000
Taxes	3,475,000	1,440,000
Net profit	1,564,027	1,125,118
Less: Pref. divds.	453,371	151,124
Surplus for year	1,110,656	973,994
Add: Prev. surplus	973,994	‡
Surplus forward	2,084,650	973,994
Deductions: Legal fees†	25,138	15,787
Exec. salaries	94,300	91,317
Directors' fees	10,633	8,800

‡Deficit eliminated by capital reorganization.
*Due to difference in seasons, accounts of subsidiaries in South America and New Zealand were closed Aug. 31 and have been included as at that date in the above accounts for 1941 and 1942.

Times Bond Interest Earned:	1942	1941
Before depr., bad dbs.	20.18	10.77
After depr., bad dbs.	15.54	8.26
Earnings Per Share:		
6¼% Preferred	$3.23	$2.33
Paid	0.93¾	0.31¼
Common	$1.31	$0.71
Nothing paid.		
Working capital	24,346,254	23,725,511
Balance Sheet Changes		
Cash	$3,517,204	$2,307,772
Govt. bonds	3,333,600	259,877
Inventories	13,835,161	16,015,749
Bank loans	1,039,548	1,196,581
Mtge. payable	250,000	......
Funded debt	9,200,000	10,000,000
Fixed assets	15,131,953	13,373,303
Less: Depreciation	10,304,892	9,291,518

Ottawa Electric Rly.

Ottawa Electric Railway Co. reports a sharp expansion in gross income in 1942 and, after provision for substantially higher depreciation and taxes, net profits were equal to $4.84 a share, as against $4.38 a share the year before.

In his report to shareholders T. F. Ahearn, president, says that in 1943 it is estimated the company may look forward to a net profit of $96,600 and a postwar refund at approximately $193,000.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$2,627,050	$1,970,921
Add: Other income	7,927	3,896
Total earnings	2,634,979	1,974,817
Less: Oper. expenses	1,432,816	1,130,698
Depreciation	314,877	242,741
Interest	80,850	85,750
Income & E. P. taxes	†625,000	251,000
Other expenses	11,027	10,538
Net profit	170,408	154,090
Less: Com. dividends	70,394	59,835
Surplus for year	100,014	94,255
Add: Prev. surplus	684,038	564,206
Rec. from assets	195	2,893
Tax refund	26,306	......
Adjustments	......	22,684
Earned surplus fwd.	810,553	684,038

†Refundable portion $63,625.

Earned per share:	1942	1941
Common	$4.84	$4.38
Paid	2.00	1.70
Working capital	$712,912	$474,865
Balance Sheet Changes		
Cash	$ 660,286	$ 628,725
Investments	200,000	200,000
Working assets	218,894	177,662
Funded debt	1,820,000	1,960,000
Fixed assets	7,162,147	7,119,798

Seal-O-Sac (Canada)

Business volume of Seal-O-Sac (Canada) Ltd. showed a sharp decline in the year ended Dec. 31, 1942, due to wartime restrictions. "The immediate outlook is uncertain," states Ewart R. Angus, president. Neither crude rubber nor pliofilm may be obtained and the company has not yet been able to develop a commercially satisfactory substitute from which a heat-sealed package may be manufactured.

Effort is being made to keep overhead at a minimum and maintain the company's liquid position, the report declares. A substantially broader market for the product is anticipated when present restrictions are lifted. The company has investment of $51,000 in North American Containers, a wholly-owned U. S. A. subsidiary. Against the sale of Uxbridge real estate and building during 1942, the report notes a loss of $5,937.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	*$1,518	$16,149
Less: Directors' fees	698	1,137
Exec. salaries	3,780	4,280
Patent expenses	3,425	1,487
Experimental exp.	22	353
Taxes	......	1,208
Depreciation	707	3,041
Patent amort.	2,824	2,824
Net loss	9,938	*1,819
Add: Prev. deficit	5,983	7,802
Less: Tax adjust.	291	......
Deficit forward	15,630	5,983
Working capital	$15,631	$20,763

*Net profit.

Canadian Oil

Canadian Oil Companies reports somewhat lower profits for 1942. Net is equivalent to $1.25 a share on the common, compared with $1.51 a share for 1941. Dividends of $1.20 a share were paid in both years. Financial position shows further strength with cash and investments higher. Funded debt and mortgages payable have been reduced by about $135,000.

Income, Surplus—Years Ended Dec. 31	1942	1941
Net oper. profit	$1,528,871	$1,505,968
Less: Depreciation	665,209	802,995
Interest	58,443	60,000
Income & E. P. taxes	315,000	365,000
Pension fund	50,000	......
Inventory reserve	150,000	100,000
Net profit	340,219	377,973
Less: Pref. dividends	160,000	160,000
Common dividends	172,517	172,517
Surplus for year	7,702	45,456
Add: Previous surplus	1,214,143	1,168,687
Earned surplus forw'd	1,221,845	1,214,143
Earned per share:		
Preferred	$17.01	$18.90
Paid	8.00	8.00
Common	$1.25	$1.51
Paid	1.20	1.20
Working capital	$2,876,247	$2,543,009
Balance Sheet Changes		
Cash	$251,294	$233,563
Investments	300,000	......
Accounts receivable	1,153,517	1,253,224
Inventories	2,897,137	2,640,065
Mortgages payable	62,300	121,400
Funded debt	1,425,000	1,500,000
Inventory reserve	250,000	100,000

Sawyer-Massey

Sawyer-Massey, Ltd., reports net profits for 1942 equivalent to $1.10 a share on its common against 24 cents earned in 1941. Adjustments have been made in the 1941 accounts to provide for proportion of earnings on a contract not completed at Sept. 30, 1941, and on which that year's share of earnings could not then be determined. Depreciation for the years from 1937 has also been adjusted in accordance with a ruling of the income tax department. The net result is that in place of a deficit of $17,128 as reported a year ago, a net profit of $12,021 is now shown. Deficit account has been reduced by these and other adjustments to $248,363 as shown on the latest balance sheet.

Income taxes have been provided at the minimum rate and actual tax will be determined when decision of the Board of Referees on the company's application to be classed as a depressed industry is known. This may not come for a considerable period, G. R. Cottrelle, president, states.

The company's plant operated at capacity last year, largely on war production.

Income, Surplus—Years Ended Sept. 30	1942	1941
Operating profit	$375,863	$217,696
Less: Exec. remun.	14,558	12,722
Sell. & admin. exp.	48,845	46,344
Legal fees	802	1,888
Depreciation	155,595	81,530
Interest	64,818	55,017
Income taxes	36,285	8,174
Net profit	54,960	12,021
Earned per share:		
Common	$1.10	$0.24
No dividends paid.		
Working capital	$40,637	*$184,680

*Excess of current liabilities.

Balance Sheet Changes	1942	1941
Cash	$1,000	$1,000
Rec. fr. Dept. M. & S.	248,340	235,725
Accts. receivable	168,844	205,956
Inventories	251,797	231,369
Bank loans	401,152	677,592

Consolidated Paper

Consolidated Paper Corp. reports a decrease in gross income for 1942, while net profits available on the capital stock, at $396,290, were equivalent to 16 cents a share. This contrasts with a profit of $880,220, or 34 cents a share in 1941.

The balance sheet showed a further gain in net working capital which now stands at $18.6 millions. Inventory position improved, while investments increased around $3.5 millions through the purchase of Victory Bonds. The funded debt was reduced to $47.4 millions, while a further $1,233,973 of bonds were retired on March 1, 1943.

In his report to the shareholders, L. J. Belnap, president, stated the physical volume of all pulp and paper products last year decreased approximately 7%, and sales volume 6%. Owing to curtailment of power supplies and restrictions in production and shipments, the company discontinued production of newsprint at the Wayagamack Division and curtailed it at other divisions.

At the end of the year, Mr. Belnap reported, the Hearst Co.'s indebtedness totalled $1.5 million, of which $1.3 million was represented by notes under discount. A reserve has been set up against the notes.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$6,649,901	$7,656,529
Add: Exch. income	1,114,695	1,203,621
Invest. income	105,713	80,554
Total earnings	8,870,309	8,940,704
Less: Exec. remun.	178,200	178,200
Directors' fees	1,680	1,620
Legal fees	13,913	20,074
Depreciation	4,594,918	4,560,232
Interest	2,573,622	2,658,948
Income & E. P. taxes	167,000	640,000
Add: Profit secs. sold	55,314	*410
Net profit	396,290	880,220
Add: Previous surplus	2,675,007	985,650
Profit bonds red.	499,969	809,137
Less: Adjustments	30,482	......
Earned surplus forw'd	3,540,785	2,675,007

*Loss.

Earned per share:	1942	1941
Common	$0.16	$0.34
Working capital	18,604,791	14,056,438
Balance Sheet Changes		
Cash	$4,377,935	$4,130,575
Investments	4,380,656	891,416
Accounts receivable	3,478,968	4,859,788
Inventories	10,518,813	9,316,995
Funded debt	47,418,390	49,262,456

Holt, Renfrew & Co.

Holt, Renfrew & Co.'s net earnings for the year ended Jan. 31, 1943, showed a moderate increase over those of the preceding year. Owing to higher reserves, net profits available on the common stock at $2.42 compared with $4.26 in the previous year. The balance sheet shows a new item—bank loans of $112,000. Against this, accounts receivable were somewhat higher, while cash and investments were up substantially.

In his report to the shareholders, Alvin J. Walker, president and managing director, reports that during the year the company purchased a business in Ottawa which is being operated under the name of "Simon Furs." He adds that the volume of sales has been satisfactory and working capital improved. "Stocks of merchandise are well assorted and saleable, although it is becoming increasingly difficult to obtain supplies."

Income, Surplus—Years Ended Jan. 31	1943	1942
Net earnings	$224,654	$207,692
Less: Depreciation	59,041	62,798
Interest	22,500	32,268
W/o premises	28,881	......
Contingent reserve	20,000	......
Net profit*	94,231	112,626
Add: Prev. surplus	761,914	650,687
Adjustments	3,502	......
Less: Tax adjustment	......	1,399
Earned surplus forw'd.	859,647	761,914

*After taxes.

Earned per share:	1943	1942
Preferred	$9.42	$11.26
No dividends paid.		
Common	2.42	4.26
Working capital	$1,205,311	$1,060,492
Balance Sheet Changes		
Cash	$95,219	$63,787
Investments	100,000	......
Accounts receivable	488,891	424,288
Inventories	939,816	996,045
Bank loans	112,000	......
Funded debt	311,250	332,000
Accts. payable	272,242	376,093

B. C. Pulp

British Columbia Pulp & Paper Co.'s production in 1942 declined, owing to shortage of materials and labor. Operating profit totalled $1.7 millions, as against $3.3 millions the year before. Net profits available on the common stock were $2.03 a share, compared with $5.62 in 1941.

During the last year, a compromise arrangement was made with the general mortgage bondholders, as a result of which an additional $489,400 of bonds were issued to fund arrears of interest payments. At the same time $180,000 of bonds held by the company were cancelled.

The balance sheet shows a strengthening of working capital position. Two new items in last year's accounts are a special bank loan of $1 million, payable Jan. 2, 1945, and a current bank demand loan and overdraft of $626,449.

Income and Surplus Account Years Ended Dec. 31	1942	1941
Operating profit	$1,722,983	$3,297,766
Add: Other income	6,373	3,841
Total earnings	1,729,356	3,301,607
Less: Exec. remuner.	40,198	48,505
Directors' fees	3,000	3,000
Depreciation	580,000	742,075
Interest	308,149	320,366
Inc. and E. P. taxes	420,000	1,500,000
Inventory res.	138,028	86,501
Net profit	241,980	601,160
Less: Previous deficit	631,805	1,232,966
Adjustments	46,818	......
Deficit forward	343,006	631,806
Earned per share:		
Preferred	$43.51	$108.08
Common	2.03	5.62
Working capital	$1,655,631	$968,679
Balance Sheet Changes		
Cash	$ 33,465	$ 526,323
Investments	440,750	......
Accounts receivable	1,322,414	1,119,108
Inventories	1,438,752	1,392,185
Bank loans	626,449	......
Funded debt	4,522,500	4,018,500
Special loan	1,000,000	......

Wentworth Radio

A further drop in sales in 1943 is anticipated by Wentworth Radio & Auto Supply Co., Hamilton, due to wartime restrictions on merchandise. In the annual report for the year ended Dec. 31, 1942, a decline of $160,000 is shown, with sales at $562,488 as compared with $722,310 in the previous year.

Net profit in the latest period is $18,273, as against $21,550. The amount of excess profits tax refund, estimated at $1,742, is included in total tax deductions.

Deficit carried forward at Dec. 31, 1942, was $25,042 as compared with $43,315 at the end of the previous year.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$58,158	$58,715
Less: Mort. interest	1,220	1,220
Depreciation	8,127	10,117
Exec. salary	4,872	4,844
Directors' fees	1,900	780
Income & E. P. tax.	23,766	20,205
Net profit	18,273	21,550
Less: Prev. deficit	43,315	63,492
Tax adjustment	......	1,373
Deficit forward	25,042	43,315
Earned per share:		
Preferred	$6.09	$7.18
No payment made.		
A and B	0.06	0.07
Working capital	$224,987	$198,795

Steel of Canada

Steel Co. of Canada reports net operating profits on a slightly higher basis in 1942 than was the case in 1941, earnings on the combined stock amounting to $6.68 a share, as against $6.17 in 1941. Gross operating profits last year were over $17 millions, an increase of around $5 millions. Practically all of the gain was absorbed in higher taxes, provision for such amounting to $8.4 millions, as against $3.5 millions the year before.

Contrasted with 1939, total dollar sales, excluding coke and by-products, showed an increase of 120% and the tonnage of corresponding finished goods shipped increased 112%. The tonnage of steel devoted to prime war requirements and to essential transportation and other civil needs of high priority, absorbed over 90% of the total steel production.

In his remarks to shareholders, Ross H. McMaster, president, stated that in view of the fact that the company has unused rolling capacity, even in excess of its expanded steel production, the Government has advanced funds for the installation of a 65-ton electric furnace with additional soaking pits, thereby increasing annual ingot capacity by 75,000 to 100,000 tons, depending upon the character of the steel made. It is expected that the new furnace will be ready to operate in May.

The balance sheet shows working capital at the high figure of $19.9 millions. While cash, receivables and inventories were off slightly, Government advances were cut almost in half, while holdings of government bonds and other securities increased from about $4.7 millions to nearly $12 millions.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit*	$4,724,062	$4,379,353
Other income	81,876	60,379
Net profit	4,805,938	4,439,732
Less: Dividends	2,159,556	2,159,556
Pension fund	300,000	300,000
Surplus	2,346,382	1,980,176
Previous surplus	22,854,434	20,874,258
Surplus forward	25,200,816	22,854,434
Earned on Stock	$6.68	$6.17
Paid	3.00	3.00
*After following charges:		
Depreciation	$4,597,243	$4,742,022
Tax provision‡	8,362,904	3,520,000
Directors' fees	14,000	14,000
Exec. remuneration	195,400	196,737
Legal expenses	9,887	7,038
‡Refundable tax	587,317	......
Working capital	19,938,595	17,774,471
Balance Sheet Changes		
Cash	$2,682,101	$3,846,246
Govt. bonds	11,997,518	4,679,036
Receivables	7,315,198	8,066,927
Inventories	9,819,960	10,076,387
Govt. advances	1,251,000	2,490,000

Third Can. Gen. Inv.

Interest and dividend income reported by Third Canadian General Investment Trust Ltd. for 1942 was 4.9% greater than in 1941. The company has declared a dividend of 12½ cents, plus a bonus of three cents, payable April 15. This compares with 14 cents paid in 1942.

Market value of securities held was $1.9 million at Dec. 31 last, an excess of $184,497 over book value, and comparing with $1.8 million at the end of 1941. Net liquidating value per share was $2.93 at Dec. 31, 1942, compared with $2.87 a share and $3.27 a share at the end of 1941 and 1940 respectively.

The trust realized a net profit of $37,106 as a result of changes in portfolio. This has been added to capital surplus distributable account, bringing this account to $843,198.

Income, Surplus—Years Ended Dec. 31	1942	1941
Investment income	$124,482	$118,782
Less: Loan interest	234	24
Management fee	6,750	6,750
Directors' fees	540	550
Miscellaneous	1,026	985
Income tax	2,872	7,000
Net profit	113,060	103,493
Less: Dividends	91,559	98,099
Surplus for year	21,501	5,394
Add: Prev. surplus	213,767	214,189
Less: Addit. inc. tax	......	5,816
Surplus forward	235,268	213,767
Earned per share:	$0.17	$0.16
Paid	0.14	0.15
Net assets per share	$2.93	$2.87

John Bertram & Sons

In 1942, Henry Bertram, chairman of the board of directors of John Bertram & Sons Co., reports in the statement for the year ended Dec. 31, total volume was only slightly under that of 1941. He anticipates a continued high rate of shipments for the first six months of 1943, but a decided reduction during the year in sales of purchased machinery, an important division.

No building additions were made during year but new machinery was installed in the Bertram works valued at $166,769. In the Pratt & Whitney division installation of government-owned machinery for the manufacture of small tools and gauges has continued. During 1942 $489,861 was set aside for depreciation of machinery and plant, as compared with $1,201,307 in 1941.

Refundable portion of taxes (not credited below) is calculated at $202,071.

Income, Surplus—Years Ended Dec. 31	1942	1941
Gross oper. profit	$2,123,822	$1,754,578
Less: Exec. salaries	29,609	29,500
Income, E. P. taxes	1,840,000	1,340,000
Net profit	254,213	385,078
Less: Dividends	24,000	9,000
Surplus for year	230,213	376,078
Add: Prev. surplus	1,363,324	958,164
Profits from assets	49,848	29,081
Surplus forward	1,643,385	1,363,323
Earned per Share:		
Common	$4.24	$6.23
Paid	0.40	0.15
Working capital	$3,273,831	$1,002,559
Balance Sheet Changes		
Cash	$497,570	$259,322
Investments	1,086,959	206,789
Accts. rec., Can. Govt.	387	725,239
Inventory	1,890,953	3,832,561
Fixed assets	3,565,200	3,439,521
Less: Depreciation	2,968,404	2,513,290
Accts. payable	683,388	1,561,311
Adv. pay. on contracts	1,390,881	1,541,128
Tax reserve	1,657,585	1,376,392

Publishers Dip Into Reserves

Newsprint Stocks at End of February Below Those Year Ago

Restricted shipments of newsprint from the mills finds reflection in a decline in stocks held by American publishers at the end of February. During the month, publishers drew upon their reserve supply to the extent of nearly 12,000 tons, leaving on hand 597,316 tons. The latter figure, however, is still nearly 5,000 tons above that reported a year ago.

The North American newsprint situation at the beginning of March is set out below:

Stocks of Newsprint Paper (Tons)

	March 1 1943	March 1 1942
Mills:		
Canadian	110,038	156,957
United States	13,913	12,414
Newfoundland	65,295	86,300
Total	189,246	255,671
U. S. publishers	597,316	592,729
Grand total	786,462	848,400

RENEWAL OF UNEMPLOYMENT INSURANCE BOOKS

To All Employers:

All Unemployment Insurance Books for the current fiscal year 1942-43 must be turned in for replacement by new books.

Between
MARCH 29th and APRIL 3rd

New Insurance Books for the fiscal year 1943-44 will be exchanged by the Local Employment and Selective Service Office in your area for expired Insurance Books.

Do not send in your Insurance Books without completing forms enclosed with circular letter No. 625.

If you have not received this circular letter, get in touch with your nearest Employment and Selective Service Office immediately.

Where it is necessary to quote the Employee's Insurance Number, use the number with the prefix letter shown on the front cover of the book: example P-49247, E-22454. Do not quote the book serial number printed on the inside pages of the book.

Protect the benefit rights of your employees by following closely the procedure outlined in the circular letter, and prevent delays by acting now.

There are severe penalties for failing to make Unemployment Insurance contributions for your insured employees and for failure to renew the Insurance Books as required.

UNEMPLOYMENT INSURANCE COMMISSION
HON. HUMPHREY MITCHELL, Minister of Labour
Commissioners: LOUIS J. TROTTIER, R. J. TALLON, ALLAN M. MITCHELL

The EXCELSIOR LIFE
A STRONG CANADIAN COMPANY — ESTABLISHED 1889
YOU CAN HELP YOUR STAFF BUY THESE POLICIES THROUGH THE PAYROLL DEDUCTION PLAN

New Industries

Can Peat Answer Our Coal Problem?

Canadian Peat Fuel Committee Claims Good Fuel Possible Using European Process

By GORDON M. GRANT

With Hon. C. D. Howe reporting that everything from fences to flooring is being burned in Ontario and Quebec due to the fuel shortage, more than ordinary importance attaches to the sittings of the new Emergency Coal Board—and the proposals made by the Canadian Peat Committee that peat be used in breaking the fuel bottleneck.

Suitability of present burning equipment for peat, labor and needed bog equipment are three of the big problems any peat programme will face.

Pioneers knew peat as a spongy, fibrous substance which, dried in air, could be used as fuel when nothing better was available. But peat as used in Europe today is something vastly different. It comes in briquettes which look like ebony, are hard and clean and weigh within 10% of bituminous coal. Tests show that in a furnace they will last as long as anthracite with 1½ tons of briquettes the equivalent of a ton of Welsh cobbles, peat committee officials say.

For years heating engineers have been at loggerheads on the value of peat as fuel. Various processes have been used here with varying degrees of success but total results have been small and peat "harvesting" is not being carried on in this country today. With large reserves of peat located close to her metropolitan areas, Canada is vitally interested in the reported successful operation of new peat processes in four European countries.

Process Invented in 1932

Secret of the European success in peat production dates from 1932 when an engineer by the name of Gram, representing the Balfours, discovered Peco process, which extended commercial drying of peat to a 10% moisture content and briquetting without a binder. Peat briquettes turned out from the Alfred bog near Ottawa some years ago had a moisture content much higher, look much different.

The construction engineer of Peco Ltd., who has been connected with plants financed by governments in Denmark, Sweden, Estonia and Ireland, using the new process, is now in Canada, and is adding his testimony in favor of peat to the statistical data of the Canadian Peat Committee.

The proposal of the Canadian Peat Committee is for an expenditure of $12 millions to erect seven plants close to large centres of population, where good bogs are located, and close to where the product would be consumed.

These plants would have a rated capacity of 550,000 tons of briquettes a year but experience in Europe, it is stated, shows 750,000 tons of briquettes a year would in all probability be turned out. A total of 750,000 tons of briquettes a year would be the equivalent to 500,000 tons of anthracite selling at $15 to $17 a ton, depending on the transportation haul from the mine. This peat would be turned out at little more than $4.65 a ton (equal to $6.90 a ton for anthracite for heat content) on the basis of costs in Sweden in 1941 and the exchange rate at that time, The Financial Post is told.

Equals Alberta Coal?

Much research work has been done on the value and extent of Canadian peat deposits. From Dominion Government reports and other material, Danish peat deposits are lower in B.T.U. grade than Canadian but the Irish deposits run about the same. The Swedish and Estonian deposits are very similar to the Ontario deposits, whose heat content usually runs somewhat lower than those of Quebec.

Altogether 17 peat deposits have been drilled in Ontario and Quebec and preliminary drainage has been carried out on some of these. A. Tomter, bog expert of the Balfour interests, examined the bogs and guided the exploration work back in 1937-38. While most of the proposed working of the peat deposits would take place in June, July, August and September, plant operations would actually be continuing on a year-round basis and of the 550 to 650 men to be employed, 80% would be employed the year round. It is thought much of the labor required could be secured locally

Take Off Slices

Under the Peco process, which was developed by the Balfour interests after expenditure of some $10 millions, the peat is taken off in layers a half inch thick at a time. Thus a section of peat 6 ft. thick may give as much as 144 "crops." The peat starts out with a moisture content of 88 to 92% but with ordinary Canadian weather, moisture can be expected to drop naturally to 50 to 60% in a matter of hours. With the Peco factory, moisture content is further reduced by successive drying stages to 10 to 15% as desired. Bog drying in Europe, down to 50%, has been carried on for over half a century, it is stated.

All plants in Europe using the Peco process are reported on a successful commercial basis with the exception of the one in Ireland. The Irish plant, predicated on weather statistics for 30 miles away, has been in an unusual rain belt. Only 12 days were free of rain in three summer months the first year and farmers didn't have their hay in by October. Fifteen days were rainfree the next season. Some 80,000 tons were turned out the following year.

In spite of Canadian snows, weather is not seen as a factor holding up peat operations here. The peat, dried to less than 65% water naturally, is put in a long high pile which provides its own protection from rain by developing a peat roof a few inches thick. Frost only penetrates a few inches and does not hinder processing which can be continued through the winter.

Timing Important

If plans were laid today, peat fuel could be turned out on completion of a factory in nine months' time, it is stated. Building equipment would take three months, it is stated. Ditching would require about 1½ months and bog production could be started shortly after. This would allow building up a supply of raw material for processing after the nine months for factory completion. Of course, any delay would mean bogs couldn't be worked this summer and then much longer than nine months would be required to reach production on the basis of Canadian Peat Committee estimates being submitted to the Emergency Coal Board.

Arguments against peat production in this country have mentioned that in Europe production is secured near the place where the fuel is consumed and that anthracite in many cases does not enter into competition, that winters aren't as cold as in Canada. The spectre has been raised of Canadians getting up in the middle of the night to tend furnaces if peat is used as fuel.

But none of these things are regarded as major difficulties by the Canadian Peat Committee.

Canadian peat has been briquetted through Peco Ltd., the British "peat coal" company, and has been found as good as the European product. Tests carried out at the Gurney Foundry (near Toronto) by heating experts, under controlled conditions and under the supervision of a U. of T. engineering expert have established the relationship of 1½ tons being equivalent to a ton of anthracite, a relationship which the Peco construction engineer confirms as being standard in Europe.

A burning time of six to eight hours has been reported for the Peco peat briquettes. One Dominion Government report also states that there is no loss of values through furnace grates when peat is used; peat is more economical than coal in this respect.

Other Factors Coming In

What the engineers will probably want to go into detail before making any decision on the suitability of peat as a fuel for Canadians are such things as the ability of the briquettes to resist the natural affinity of peat for water while being transported. Then there are questions about the 10-15% of water remaining turning into steam with heat, possibly turning briquettes into a smoldering mass which won't let air through in an ordinary furnace. The peat flame too may be too long for the ordinary furnace. Making special equipment for "harvesting" might present difficulties in Canada. There are as many kinds of peat as there are coal and investigations in this direction would have to be thorough.

Distance isn't a handicap for developing peat bogs. Within 35 to 75 miles of Montreal, there are stated to be bogs capable of supplying 750,000 tons of peat per annum for that area. There is also peat available close to Toronto at Holland Marsh. The Peat Committee is the authority for the statement that there is sufficient high quality peat fuel available in Ontario and Quebec, adjacent to large consuming centres, varying in distance from 10 to 75 miles, to produce two million tons a year for the next quarter of a century.

Looking at the situation from a broader view, Canada has the third largest area of peat bogs in the world. Russia, which has the most, is stated to make more electric power from the use of powdered peat as a fuel than is secured from the hydro development at Niagara Falls. Here are the peat bog resources of the leading peat countries of the world:

Country:	Square miles
Russia	65,000
Finland	38,000
Canada	37,000
Sweden	19,000
United States	11,200
Germany	9,900
Great Britain	9,400

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- 2—156 B.H.P., 2 Cylinder Engines, Size 10 Class HRCE, 300 R.P.M., connected to two 125 K.V.A. A.C. Generators by Tex Rope drive, Exciters mounted on Generator Shafts.
- 1—114 B.H.P., 2 Cylinder Engine, Size 9 Class H.R.C., 275 R.P.M., connected by flat short belt drive with idler attachment to Canadian Ingersoll-Rand Angle Compressor, Size 13½x 8 x 8, Type XVHB-2 complete with three step air control, Capacity 659 f.p.m., Discharge Pressure 100 lb.
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All machines are the horizontal, slow speed, heavy duty type as manufactured by Ruston & Hornsby of Lincoln, England. Each machine has exhaust silencer with piping. The plant has two gas driven air compressors for starting purposes. Each machine has air bottle and emergency fuel tank. We have reasonable supply of spare parts.

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- 2—14' x 66" Return Tubular Boilers for 100 lb. pressure with Stacks and all Fittings.
- 2—Ingersoll-Rand FR-2 Steam driven Compressors (convertible), Size 14 x 9 x 12, Capacity 517 f.p.m., at 100 lb. pressure.
- 1—100 H.P. Motor with Starter and Tex Rope drive for FR-2 machine.
- 1—NF-2 Ingersoll-Rand Steam Compressor, Size 14 x 9 x 12, Capacity 414 f.p.m. at 100 lb. pressure.

HOISTS

- 1—Ingersoll-Rand 80 H.P. Steam Hoist, 11 x 8 PSR Class, Double Drum, each 24" x 36" diam.
- 1—Ingersoll-Rand Steam Hoist, 40 H.P., 8 x 10, SSR Class, Single Drum, 24" x 30" diam.
- 1—Ingersoll-Rand 75 H.P. Electric Hoist, Class PE-1, Double Drum, 24" x 36" diam.
- 1—Ingersoll-Rand Electric Hoist, Class SE-2, Single Drum 18" x 24" diam. (New).
- 1—Ingersoll-Rand Utility Air Hoist, Class D-6-U (little tugger).

AIR RECEIVERS

- 1—48" x 8' Air Receiver, 100 lb. pressure.
- 1—42" x 7' Air Receiver, 100 lb. pressure.
- 1—36" x 8' Air Receiver, 100 lb. pressure.
- 1—30" x 6' Air Receiver, 100 lb. pressure.

PUMPS

- 2—Ingersoll-Rand Cameron Electric Centrifugal Pumps, 20 H.P., RVH-20, 250 g.p.m., 180 ft. head.
- 1—Canadian Fairbanks-Morse Gasoline Pump, 7½ H.P., Tex Rope drive, Capacity 80 g.p.m., 180 ft. head.
- 1—Smart-Turner Electric Gear Driven Triplex Pump, Size 5 x 8, 35 H.P., Capacity 100 g.p.m., 610 ft. head.
- 1—Smart-Turner Electric Gear Driven Triplex Pump, Size 3½ x 5, 7½ H.P., Capacity 45 g.p.m., 625 ft. head.
- 1—Gardner-Denver Electric Pump, Tex Rope drive, Size 4½ x 6, 20 H.P., Model FG-FXGF, Capacity 93 g.p.m., 625 ft. head.
- 1—Gardner-Denver Electric Pump, Tex Rope drive, Size 3½ x 5, 10 H.P., 45 g.p.m., 643 ft. head, Model FF-FXFD.
- 1—Cameron Steam Pump, Size 8 x 4 x 12, Model SSE.
- 1—Gardner-Denver Steam Pump, Size 4½ x 3 x 4, Model AE-6.
- 1—Wagner Steam Pump, Size 3 x 2 x 3.
- 1—Worthington Steam Pump, Size 4½ x 2¾ x 4.
- 1—Canadian Fairbanks - Morse Steam Pump, Size 6 x 4 x 6.
- 1—Ingersoll-Rand Sump Pump No. 25.

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- 24—One ton Ore Cars, with Roller Bearings, 18" gauge. All overhauled and in good condition.

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- 7—Ingersoll-Rand R-51 Stopers and Spare Parts.
- 2—Ingersoll-Rand SAR-120 Stopers and Spare Parts.
- 7—Ingersoll-Rand N-82 Drifters and Spare Parts, Air Hose, Water Hose, Lubricators, new and used. Column Bars, Arms and Clamps.
- 1—Ingersoll-Rand No. 40 Drill Sharpener.
- 1—Oil Furnace for Heating Steel.
- 6—Tons Drill Steel 1" Q.O. (new).
- 6—Tons Drill Steel 1" Q.O. (made up).

GENERAL

- 10,000 lin. ft. 1" Pipe.
- 10,000 lin. ft. 2" Pipe.
- 3,000 lin. ft. 3" Pipe.
- 4,000 lin. ft. 4" Pipe.

(All reconditioned and in good order.)

- Valves, Tees, Unions, etc., for 1", 2", 3" and 4" pipe.
- 50 tons 12 lb. Steel Rail with Fish Plates, Bolts and Spikes.
- 2—1 ton Sinking Buckets.
- 2—2 ton Skips.
- 2—4½' x 5' Cages.
- 4—48" Sheave Wheels with Bearings.
- 17—Benjamin Mine Station Signals.

CABLE

- 2,000 ft. No. 8 3 cond. Aluminum Armored Teck Cable.
- 2,000 ft. No. 8 3 cond. Copper Armored Teck Cable.
- 2,000 ft. 7 cond. Neoprene Jacket Mine Signal Cable.

ASSAY EQUIPMENT

- 1—Denver Assay Furnace, Type 412, 1 Muffle, for 30-20 g. Crucibles.
- 1—Size O Mitchell Crusher.
- 1—Braun Pulverizer, Type UA.
- 1—Heusser Assay Balance, Group A, 1/500 sensitivity.
- 1—Analytical Balance.
- 1—Pulp Balance, Size A.

CRUSHING & MILLING EQUIPMENT

- 1—15 x 9 Blake Allis-Chalmers Jaw Crusher.
- 1—Jeffrey Revolving Trunnion Trommel Screen, Size 42" x 72".
- 1—24" x 54" Cantilever Grizzley, 3" bars.
- 1—5 x 6 Allis-Chalmers Ball Mill with 75 H.P. Motor and Tex Rope drive. Ni-hard Liners almost new.
- 1—Set Shell Ni-hard Liners for above.
- 25—Tons 3" and 4" Chrome Forged Grinding Balls.
- 1—5' x 21'8" Dorr DSFH Classifier with Steel Tank and Belt Drive.
- 1—12" x 18" Denver Mineral Jig with 1 H.P. Motor.
- 1—30" x 8' Single Deck, Industrial Type Niagara Screen, Model "S".
- 1—Stephens - Adamson Bucket Elevator, 42 tons per hr., 35'-0" centres, 10 x 6 Buckets.
- 1—36" x 48" Amalgam Barrel with Stand and Motor (new).
- 1—36" x 48" Amalgam Barrel (used).
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- 1—Conveyor 26' centres, 24" wide.
- 1—Conveyor 15' centres, 16" wide.
- 1—Conveyor 225' centres 16" wide with 5 H.P. Motor and Starter.
- 1—8 Cell No. 18 Special Left Hand Denver Sub-A Flotation Unit, with Wood Tanks, Each 2 cells driven by 5 H.P. Motor. Unit includes:
  - 8—Flotation Cells.
  - 1—8 x 8 Conditioner with Tank.
  - 1—11 x 8 Thickener with Tank.
  - 1—1" L.H. Diaphragm Pump.
  - 1—4' x 18" Rotating Vacuum Filter.
  - 1—Dry Vacuum Pump, Receiver, etc.
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  - 1—12" 3 comp. Wet Reagent Feeder.
  - 1—Midget Feeder.
  - Motors and Starters for above.

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The Week in Oils

From Our Own Correspondent

CALGARY. — Home Millarville No. 14, a key test which recently provided the first direct evidence of a Madison limestone uplift east of the North Turner Valley structure crest, has completed drilling and gone on production with a performance that assures it a place among the field's leading producers.

The well completed drilling at 8,333 ft., 638 ft. in the Madison limestone, and was "kicked off" with a flow rate of 25 to 27 bbls. hourly. A 1,500-gallon acid wash was then applied, and the well was placed back on production with a flow of 40 bbls. hourly flush, under its own power. Acidizing is continuing, with the well assured of a place among the field's leading producers.

* * *

First East "Uplift" Proof

Home 14 is located in lsd 16 33-20-3w5, quarter of a mile south of Major 9, the discovery east side producer, and quarter of a mile north of Home 13, which is located on the crest of the main limestone uplift. Major 9, it will be recalled, missed the crest of the main limestone uplift last spring, but continued drilling to find limestone at 7,618 ft., 1,000 ft. deeper than the lime at Foothills 10, crest well quarter of a mile to its west. Drilled to successful completion last June, Major 9 proved the presence of oil-bearing lime east of the structure crest.

Home 14, which is between Foothills 10 and the Major 9 wells, also missed the crest, drilled on to find the lime at 7,695 ft., at an elevation of 3,666 ft. below sea level, 47 ft. deeper than at Major 9 (-3,619 ft.), although the Home well is up-dip from Major 9. Thus the first definite evidence that the Madison rises to the east of the crest was provided, contrasting with the previous general belief that the lime simply plunged sharply to the northeast from the structure crest.

* * *

Six New Producers

Home 14 is the sixth of a string of recent Turner Valley completions, and is apparently the best of the six. A survey of the others indicates that at least two more are better than average producers, two are about average, and only one is below average.

Next to Home 14, the best of the six completions is key south extension completion Northwest Hudson Bay No. 12, which wound up with a flush 96 bbls. hourly after a series of acid treatments. Because of relatively high position on structure, the well is being held back to about 20 bbls. hourly under strong back pressure, in an effort to hold gas-oil ratio around its current 1,500 cu. ft. per bbl. (This well was permitted to operate at flush rate only a few hours, with highest 24-hour recovery 773 bbls.)

Third big producer is north extension completion Northwest Hudson Bay No. 10, which showed a top yield of 1,091 bbls. in a 24-hour run after systematic acidizing, with gas-oil ratio about 1,100 cu. ft. per bbl. This well is now being operated under back pressure at some 400 bbls. per day.

North Valley completion Foothills No. 14 shows a daily high of 532 bbls. after systematic acidizing, with gas-oil ratio around 2,500 cu. ft. per bbl. North extension well Northclonmel Royalties No. 1 completed acidizing this week, and is now going on steady production with output expected to be around 200 bbls. Gas-oil ratio is low. Royalite-Lowery No. 1, recent completion on the northwest flank, is the poorest of the recent completions, with daily recovery ranging as little as 29 bbls. per day, compared with post-acid peak of about 100 bbls. per day.

* * *

Work For Far North

Approximately 15 members of the Dominion Geological Survey and representatives of six American oil concerns will scour the north country within the next two months in search of oil, it was reported recently. Most of the prospecting will be done in the MacKenzie River Valley, between Providence and Norman, on the east and west sides of the Alaska Highway.

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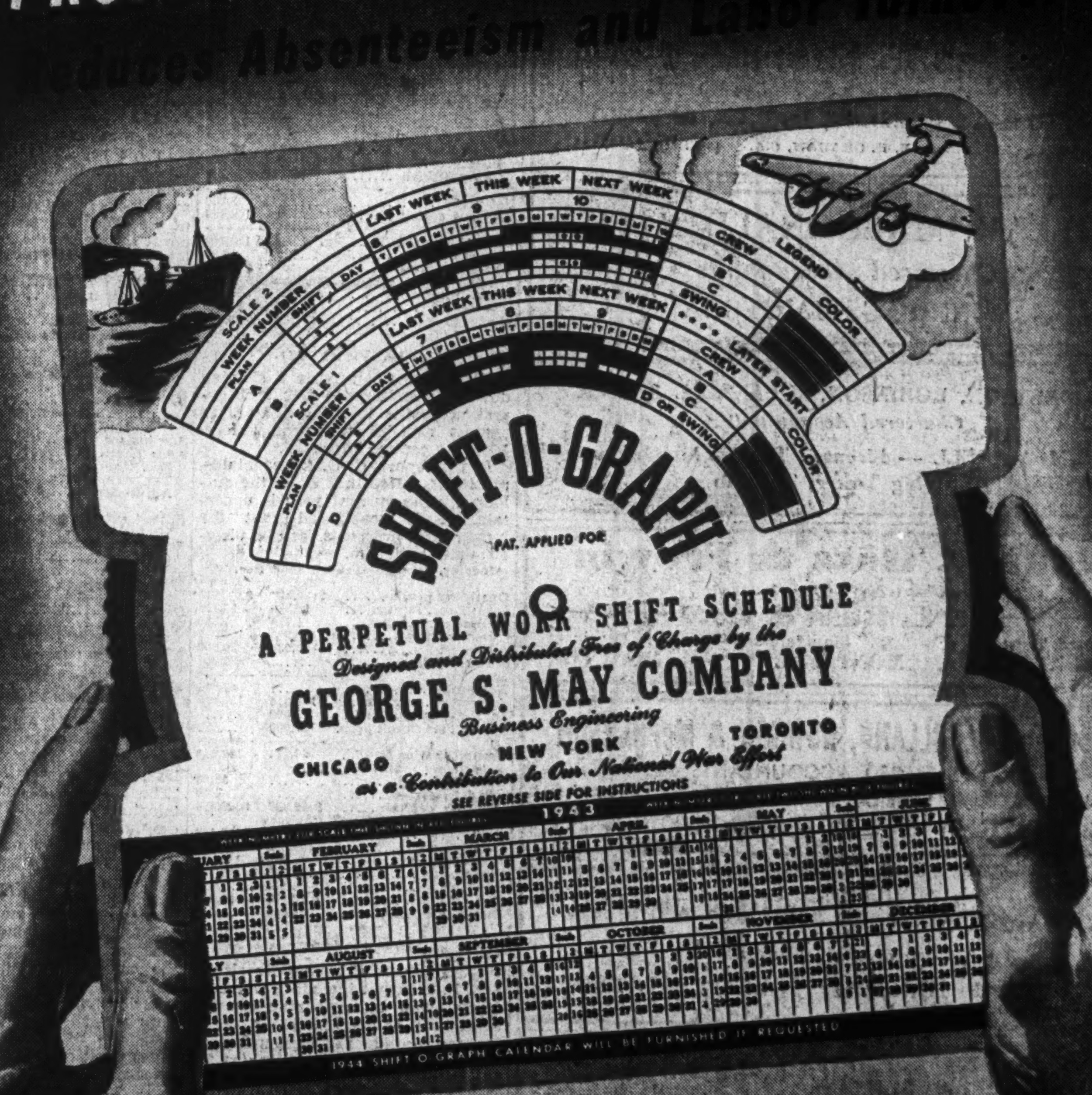

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